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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2021

☐ 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 001-38605

GREENLAND TECHNOLOGIES HOLDING CORPORATION
(Exact name of registrant as specified in charter)

British Virgin Islands	**N/A**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
50 Millstone Road, Building 400 Suite 130 **East Windsor, NJ** **United States**	**08512**
(Address of principal executive offices)	(Zip Code)

1 (888) 827-4832
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary shares, no par value	GTEC	The NASDAQ Stock Market LLC

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 whether the registrant has submitted electronically and posted every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

As of May 11, 2021, there were 10,498,127 ordinary shares, no par value, issued and outstanding.

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FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, Financial Statements and Notes to Financial Statements contain forward-looking statements that discuss, among other things, future expectations and projections regarding future developments, operations and financial conditions. Forward-looking statements may appear throughout this report and other documents we file with the Securities and Exchange Commission (SEC), including without limitation, the following sections: Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report on Form 10-Q.

Forward-looking statements generally can be identified by words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "projects," "will be," "will continue," "may," "could," "will likely result," and similar expressions. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially from those reflected in the forward-looking statements. In addition, there is uncertainty about the spread of the COVID-19 virus and the impact it may have on the Company's operations, the demand for the Company's products or services, global supply chains and economic activity in general. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GREENLAND TECHNOLOGIES HOLDING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2021

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GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AS OF MARCH 31, 2021 AND DECEMBER 31, 2020

(IN U.S. DOLLARS)

	March 31, 2021 (Unaudited)	December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 8,092,764	$ 7,159,015
Restricted cash	2,058,213	2,244,038
Notes receivables	32,579,066	30,803,772
Accounts receivable, net of allowance for doubtful accounts of $982,497 and $986,532, respectively	21,067,228	12,408,548
Inventories	17,954,414	15,380,063
Due from related parties-current	38,380,597	38,535,171
Advance to suppliers	541,251	447,901
Prepayments and other current assets	670,915	664,926
Total Current Assets	**$ 121,344,448**	**$ 107,643,434**
Non-current asset		
Property, plant, equipment and construction in progress, net	19,593,515	20,135,339
Land use rights, net	3,995,980	4,035,254
Other intangible assets	-	-
Due from related parties – non-current	-	-
Deferred tax assets	157,807	158,455
Goodwill	3,890	3,890
Other non-current assets	22,104	158,455
Total non-current assets	**$ 23,773,296**	**$ 24,335,303**
TOTAL ASSETS	**$ 145,117,744**	**$ 131,978,737**

The accompanying notes are an integral part of the unaudited consolidated financial statements.

GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AS OF MARCH 31, 2021 AND DECEMBER 31, 2020 (Continued)

(IN U.S. DOLLARS)

	March 31, 2021 (Unaudited)	December 31, 2020
Current Liabilities		
Short-term bank loans	$ 17,648,585	$ 18,487,356
Notes payable-bank acceptance notes	30,539,541	25,889,067
Accounts payable	28,530,195	22,005,260
Customer deposits	385,586	366,029
Due to related parties	8,088,221	9,051,119
Other current liabilities	2,131,081	2,212,325
Long-term payable- current portion	767,496	797,179
Total current liabilities	**$ 88,090,705**	**$ 78,808,335**
Long-term liabilities		
Long-term payables	-	166,292
Other long-term liabilities	2,270,726	2,342,648
Total long-term liabilities	**$ 2,270,726**	**$ 2,508,940**
TOTAL LIABILITIES	**$ 90,361,431**	**$ 81,317,275**
COMMITMENTS AND CONTINGENCIES		
EQUITY		
Ordinary shares, no par value, 10,498,127 shares authorized; 10,498,127 and 10,225,142 shares issued and outstanding as of March 31, 2021 and December 31, 2020.	-	-
Additional paid-in capital	15,617,239	13,707,39
Statutory reserves	4,517,117	4,517,117
Retained earnings	28,856,900	26,728,332
Accumulated other comprehensive loss	(252,028)	(62,925)
Total shareholders' equity	**$ 48,739,228**	**$ 44,889,922**
Non-controlling interest	6,017,085	5,771,540
TOTAL EQUITY	**$ 54,756,313**	**$ 50,661,462**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 145,117,744**	**$ 131,978,737**

The accompanying notes are an integral part of the unaudited consolidated financial statements.

GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

(UNAUDITED, IN U.S. DOLLARS)

	For the three months ended March 31,	
	2021	2020
REVENUES	$ **24,610,894**	$ **9,872,067**
COST OF GOODS SOLD	**19,506,507**	**7,948,119**
GROSS PROFIT	**5,104,387**	**1,923,948**
Selling expenses	379,230	216,841
General and administrative expenses	911,139	1,074,409
Research and development expenses	959,545	564,298
Total operating expenses	$ **2,249,914**	$ **1,855,548**
INCOME FROM OPERATIONS	$ **2,854,473**	$ **68,400**
Interest income	4,595	33,310
Interest expense	(180,189)	(321,692)
Other income	287,190	597,252
INCOME BEFORE INCOME TAX	$ **2,965,855**	$ **377,270**
INCOME TAX	**522,616**	**49,187**
NET INCOME	$ **2,443,239**	$ **328,083**
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	314,671	71,419
NET INCOME ATTRIBUTABLE TO GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES	$ **2,128,568**	$ **256,664**
OTHER COMPREHENSIVE INCOME (LOSS):	**(258,229)**	**(1,305,760)**
Unrealized foreign currency translation income (loss) attributable to Greenland technologies holding corporation and subsidiaries	(189,103)	(604,994)
Unrealized foreign currency translation income (loss) attributable to Noncontrolling interest	(69,126)	(700,766)
Comprehensive income (loss)	**1,939,465**	**(348,330)**
Noncontrolling interest	**245,545**	**(629,347)**
WEIGHTED AVERAGE ORDINARY SHARES OUTSTANDING:		
Basic and diluted	10,333,968	10,009,198
NET INCOME PER ORDINARY SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY:		
Basic and diluted	0.21	0.03

The accompanying notes are an integral part of the unaudited consolidated financial statements.

GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

(UNAUDITED, IN U.S. DOLLARS, EXCEPT FOR SHARE DATA)

	Ordinary Shares No Par Value		Additional Paid-in	Accumulated Other Comprehensive	Statutory	Retained	Non-controlling	
	Shares	Amount	Capital	Income/(loss)	Reserve	Earnings	Interest	Total
Balance at December 31, 2019	10,006,142	-	$15,226,685	$ (360,981)	3,866,574	$19,863,600	$ 8,366,246	$46,962,124
Restricted stock grants	15,000	-	42,800	-	-	-	-	42,800
Net income	-	-	-	-	-	256,664	71,419	328,083
Transfer to statutory reserve	-	-	-	-	60,253	(60,253)	-	-
Foreign currency translation adjustment	-	-	-	(604,994)	-	-	(700,766)	(1,305,760)
Balance at March 31, 2020	10,021,142	-	$15,269,485	$ (965,975)	3,926,827	$20,060,011	$ 7,736,899	$46,027,247
Balance at December 31, 2020	10,225,142	-	$13,707,398	$ (62,925)	4,517,117	$26,728,332	$ 5,771,540	$50,661,462
Restricted stock grants	51,000	-	51,000	-	-	-	-	51,000
Sale of stock and warrants	221,985	-	1,858,841	-	-	-	-	1,858,841
Net income	-	-	-	-	-	2,128,568	314,671	2,443,239
Foreign currency translation adjustment	-	-	-	(189,103)	-	-	(69,126)	(258,229)
Balance at March 31, 2021	10,498,127	-	$15,617,239	$ (252,028)	4,517,117	$28,856,900	$ 6,017,085	$54,756,313

The accompanying notes are an integral part of the unaudited consolidated financial statements.

GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

(UNAUDITED, IN U.S. DOLLARS)

	For the three months ended March 31,	
	2021	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	**$ 2,443,239**	**$ 328,083**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	617,739	562,048
Loss on disposal of property and equipment	(1,770)	-
Increase in allowance for doubtful accounts	-	57,258
Increase in allowance for notes receivable	-	(3,979)
Increase in provision for inventory	-	(11,143)
Deferred tax assets	-	(47,568)
Stock based compensation expense	51,000	42,800
Changes in operating assets and liabilities:		
Decrease (Increase) In:		
Accounts receivable	(8,782,628)	(667,154)
Notes receivable	(1,917,274)	1,918,096
Inventories	(2,659,425)	(2,289,727)
Advance to suppliers	(95,982)	(8,730)
Other current and noncurrent assets	(8,782)	223,104
Increase (Decrease) In:		
Accounts payable	6,670,537	3,510,842
Customer deposits	21,231	133,959
Other current liabilities	81,112	(328,334)
Income tax payable	-	248,669
Due to related parties	(268,449)	323,227
Long-term payables-Unamortized deferred financing costs	(1,257)	104,335
Other long-term liabilities	(147,438)	(54,791)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ (3,998,147)**	**$ 4,040,995**

The accompanying notes are an integral part of the unaudited consolidated financial statements.

GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020 (Continued)

(UNAUDITED, IN U.S. DOLLARS)

	For the three months ended March 31	
	2021	**2020**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of long term assets	$ (149,603)	$ (384,624)
Proceeds from government grants for construction	84,575	242,763
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	**$ (65,028)**	**$ (141,861)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from short-term bank loans	$ 769,562	$ 3,271,391
Repayments of short-term bank loans	(1,539,124)	-
Notes payable	4,796,343	(2,191,338)
Proceeds from related parties	409,645	620,183
Repayment of loans from related parties	(1,077,930)	(355,586)
Repayment of loans from third parties	(307,825)	(2,844,097)
Proceeds from third parties	153,912	1,498,686
Payment of principal on financing lease obligation	(192,391)	(677,734)
Proceeds from equity and debt financing	1,858,841	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**$ 4,871,033**	**$ (678,495)**
NET INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	**$ 807,858**	**$ 3,220,639**
Effect of exchange rate changes on cash	(59,934)	(642,434)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	9,403,053	5,717,207
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD	**$ 10,150,977**	**$ 8,295,412**
Bank balances and cash	8,092,764	6,694,870
Bank balances and cash included in assets classified as restricted cash	2,058,213	1,600,542
Supplemental Disclosure of Cash Flow Information		
Income taxes paid	170,474	3,861
Interest paid	215,375	298,337

The accompanying notes are an integral part of the unaudited consolidated financial statements.

NOTE 1 – ORGANIZATION AND PRINCIPAL ACTIVITIES

Greenland Technologies Holding Corporation, formerly known as Greenland Acquisition Corporation ("Greenland" or the "Company"), was incorporated on December 28, 2017 as a British Virgin Islands Company with limited liability. The Company was incorporated as a blank check Company for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, recapitalization, reorganization or similar business combination with one or more target businesses. On October 24, 2019, the Company acquired all of the outstanding shares of Zhongchai Holding (Hong Kong) Limited via a reverse capitalization and changed its name from Greenland Acquisition Corporation to Greenland Technologies Holding Corporation.

Greenland serves as the parent Company for the primary operating Company, Zhongchai Holding (Hong Kong) Limited, a holding Company formed under the laws of Hong Kong on April 23, 2009 ("Zhongchai Holding"). Through Zhongchai Holding and other subsidiaries, Greenland develops and manufactures traditional transmission products for material handling machineries in PRC, as well as develop models for robotic cargo carriers, which are expected to be produced in the near future in PRC.

Greenland, through its subsidiaries, is:

- a leading developer and manufacturer of transmission products for material handling machineries in China; and

- since December 2020, a developer of electric industrial vehicles, with our first model of electric industrial vehicle expected to be available in the third or fourth quarter of 2021.

Greenland's transmission products are key components for forklift trucks, used in manufacturing and logistic applications such as factories, workshops, warehouses, fulfilment centers, shipyards, and seaports. Greenland's transmission products are used in 1-ton to 15-tons forklift trucks, some with mechanical shift and some with automatic shift. Greenland sells these transmission products directly to forklift-truck manufacturers. Forklifts play an important role in logistics for many enterprises across different industries in the PRC and around the globe. Generally, industries with the largest demand for forklifts are transportation, warehousing logistics, electrical machinery, and automobile.

Greenland has experienced increased demand for forklifts in the manufacturing industry in the PRC, as its revenue increased from approximately $9.87 million for the three months ended March 31, 2020 to approximately $24.61 million for the three months ended March 31, 2021. Since late March 2020, the Company's business operations have gradually recovered from the negative impacts due to the lockdown as a result of the COVID-19 pandemic, and part of the Company's backlogged orders were processed during the three months ended March 31, 2021, which contributed to an increase in its revenues for the three months ended March 31, 2021. For the three months ended March 31, 2021 and 2020, Greenland sold 36,986 and 17,075 sets of transmission products, respectively, to more than 100 forklift manufacturers in aggregate in PRC.

In December 2020, Greenland launched a new division to focus on the electric industrial vehicle market, a market that Greenland intends to develop to diversify its product offerings. With this new division, Greenland plans to develop and deploy the next generation of industrial vehicles. Greenland plans to establish a new facility on the east coast of the U.S. and start producing electric industrial vehicles between the third and fourth quarter of 2021.

The outbreak of the novel coronavirus, commonly referred to as "COVID-19", first found in mainland China, then in Asia and eventually throughout the world, has significantly affected business and manufacturing activities within China, including travel restrictions, widespread mandatory quarantines, and suspension of business activities within China. Effective February 3, 2020, the Company announced the temporary closure of its operating offices in Zhejiang Province, including suspension of its manufacturing activities in response to the emergency measures imposed by the local government. The Company's operating subsidiaries were temporary shut down until the end of February 2020. Moreover, the outbreak has significantly limited suppliers' ability to provide low-cost, high-quality parts and materials to the Company on a timely basis. Zhejiang Province, where we conduct a substantial part of our business, is one of the most affected areas in China. As of the date of this report, Chinese industries have gradually resumed businesses as government officials started to ease the restrictive measures since April 2020. However, we remain cautious and prudent when assessing the future impact of COVID-19 on our business due to the current ongoing global pandemic.

The Company's Shareholders

As of March 31, 2021, Cenntro Holding Limited owns 69.60% of Greenland's outstanding ordinary shares. Cenntro Holding Limited is controlled and beneficially owned by Mr. Peter Zuguang Wang, chairman of the Company.

The Company's Subsidiaries

Zhongchai Holding, the 100% owned subsidiary of the Company, owned 89.47% of Zhejiang Zhongchai Machinery Co., Ltd. ("Zhejiang Zhongchai"), 62.5% of Shanghai Hengyu Enterprise Management Consulting Co., Ltd. ("Hengyu") and 100% of Hangzhou Greenland Robotic Co., Ltd ("Hangzhou Greenland").

Zhejiang Zhongchai, the subsidiary of the Company, is the sole shareholder of Zhejiang Shengte Transmission Co., Ltd. ("Shengte"). It also owned 62.5% of Hengyu until transferred its ownership to Zhongchai Holding on July 15, 2019.

NOTE 1 – ORGANIZATION AND PRINCIPAL ACTIVITIES (CONTINUED)

Zhejiang Zhongchai

Zhejiang Zhongchai, a limited liability Company registered on November 21, 2005, is the direct operating subsidiary of Zhongchai Holding in PRC. On April 5, 2007, Usunco Automotive Limited ("Usunco"), a British Virgin Islands limited liability Company incorporated on April 24, 2006, invested $8,000,000 USD into Zhejiang Zhongchai for its approximately 75.47% interest. On December 16, 2009, Usunco agreed to transfer its 75.47% interest in Zhejiang Zhongchai to Zhongchai Holding. On April 26, 2010, Xinchang County Keyi Machinery Co., Ltd. transferred all its 24.528% interest in Zhejiang Zhongchai to Zhongchai Holding for a consideration of US$2.6 million. On November 1, 2017, Xinchang County Jiuxin Investment Management Partnership (LP) ("Jiuxin"), an entity controlled and beneficially owned by Mr. He Mengxing, president of Zhejiang Zhongchai, closed its investment of approximately RMB31,590,000 in Zhejiang Zhongchai for 10.53% of its interest. As of March 31, 2021, Zhongchai Holding owns approximately 89.47% of Zhejiang Zhongchai and Jiuxin owns approximately 10.53% of Zhejiang Zhongchai.

Through Zhejiang Zhongchai, the Company has been engaging in the manufacture and sale of transmission systems mainly for forklift trucks since 2006. These forklift trucks are used in manufacturing and logistics applications, such as factory, workshop, warehouse, fulfilment centers, shipyards and seaports. The transmission systems are the key components for the forklift trucks. The Company supplies transmission systems to forklift truck manufacturers. Its transmission systems fit for forklift trucks ranging from 1 to 15 tons, with either mechanical shift or automatic shift. All the products are currently manufactured at the Company's facility in Xinchang, Zhejiang Province, PRC and are sold to both domestic and oversea markets. The Company has moved to its new factory in Meizhu, Xinchang, Zhejiang Province, PRC, in October of 2019.

Hengyu

Hengyu is a limited liability Company registered on September 10, 2015 in Shanghai Free Trade Zone, Shanghai, and PRC. Hengyu holds no assets other than an account receivable owed by Cenntro Holding Limited. Main business of Hengyu are investment management and consulting services.

Hangzhou Greenland

Hangzhou Greenland is a limited liability Company registered on August 9, 2019 in Hangzhou Sunking Plaza, Zhejiang, PRC. Hangzhou Greenland engages in the business of trading.

Greenland Tech

Greenland Technologies Corporation was incorporated in the state of Delaware on January 14, 2020 as a wholly owned subsidiary of Greenland ("Greenland Tech"). The Company aims to use it as its U.S. operation site for the assembly, marketing and sales of electric industrial vehicles for the North American market.

Details of the Company's subsidiaries, which are included in these unaudited consolidated financial statements as of March 31, 2021, are as follows:

Name	Domicile and Date of Incorporation	Paid-in Capital		Percentage of Effective Ownership	Principal Activities
Zhongchai Holding (Hong Kong) Limited	Hong Kong April 23, 2009	HKD	10,000	100%	Holding
Zhejiang Zhongchai Machinery Co., Ltd.	PRC November 21, 2005	RMB	20,000,000	89.47%	Manufacture, sale of various transmission boxes.
Shanghai Hengyu Enterprise Management Consulting Co., Ltd.	PRC September 10, 2015	RMB	251,500,000	62.5%	Investment management and consulting services.
Hangzhou Greenland Robotic Technologies Co., Ltd.	PRC August 9, 2019	RMB	1,570,460	100%	Trading.
Greenland Technologies Corporation	Delaware, USA January 14, 2020	USD	0	100%	US operation and distribution of electric industrial vehicles for North American market

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiaries. All significant inter-company transactions and balances between the Company and its subsidiaries are eliminated upon consolidation.

Principles of Consolidation

The consolidated financial statements include the accounts of Greenland Technologies Holding Corporation and its subsidiaries and have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Intercompany accounts and transactions have been eliminated upon consolidation. Certain reclassifications to previously reported financial information have been made to conform to the current period presentation.

The Business Combination was accounted for as a reverse recapitalization (the "Recapitalization Transaction") in accordance with Accounting Standard Codification ("ASC") 805, Business Combinations. For accounting and financial reporting purposes, Zhongchai Holding is considered the acquirer based on facts and circumstances, including the following:

- Zhongchai Holding's operations comprise the ongoing operations of the combined entity;
- The officers of the newly combined company consist of Zhongchai Holding's executives, including the Chief Executive Officer, Chief Financial Officer and General Counsel; and,
- The former shareholders of Zhongchai Holding own a majority voting interests in the combined entity.

As a result of Zhongchai Holding being the accounting acquirer, the financial reports filed with the SEC by the Company subsequent to the Business Combination are prepared "as if" Zhongchai Holding is the predecessor and legal successor to the Company. The historical operations of Zhongchai Holding are deemed to be those of the Company. Thus, the financial statements included in this report reflect (i) the historical operating results of Zhongchai Holding prior to the Business Combination; (ii) the combined results of the Company and Zhongchai Holding following the Business Combination in October 24, 2019; (iii) the assets and liabilities of Zhongchai Holding at their historical cost, and (iv) Greenland's equity structure for all periods presented. Zhongchai Holding received 7,500,000 shares of Greenland in exchange for all the share capital, which is reflected retroactively to December 31, 2017 and will be utilized for calculating earnings per share in all prior periods. No step-up basis of intangible assets or goodwill was recorded in the Business Combination transaction consistent with the treatment of the transaction as a reverse capitalization of Zhongchai Holding.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Management makes these estimates using the best information available at the time the estimates are made. Actual results could differ from those estimates. Significant estimates in the three months ended March 31, 2021 and 2020 include allowance for doubtful accounts, reserve for inventories, useful life of property, plant and equipment, assumptions used in assessing impairment of long-term assets and valuation of deferred tax assets and accruals for taxes due.

Non-controlling Interest

Non-controlling interests in the Company's subsidiaries are recorded in accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification 810 Consolidation ("ASC 810") and are reported as a component of equity, separate from the parent's equity. Purchase or sale of equity interests that do not result in a change of control are accounted for as equity transactions. Results of operations attributable to the non-controlling interest are included in our consolidated results of operations and, upon loss of control, the interest sold, as well as interest retained, if any, will be reported at fair value with any gain or loss recognized in earnings.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign Currency Translation

The accompanying consolidated financial statements are presented in United States dollars ("US$" or "$"). The functional currency of the Company is Renminbi ("RMB"). Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Any differences between the initially recorded amount and the settlement amount are recorded as a gain or loss on foreign currency transaction in the consolidated statements of operations.

	For the three months ended March 31,	
	2021	**2020**
Period end RMB: US$ exchange rate	6.5518	7.0851
Period average RMB: US$ exchange rate	6.4972	7.0307

The RMB is not freely convertible into foreign currency and all foreign exchange transactions must take place through authorized institutions. The PRC government imposes significant exchange restrictions on fund transfers out of the PRC that are not related to business operations.

Cash and Cash Equivalents

For financial reporting purposes, the Company considers all highly liquid investments purchased with original maturity of three months or less to be cash equivalents. The Company maintains one bank account in the United States of America as of March 31, 2021. The Company maintains its bank accounts in PRC and Hong Kong Special Administrative Region ("SAR"). Balances at financial institutions or state-owned banks within PRC and Hong Kong SAR are not covered by insurance.

Restricted Cash

Restricted cash represents amounts held by a bank as security for bank acceptance bills, as well as the financial product secured for the short-term bank loan and therefore is not available for the Company's use until such time as the bank acceptance notes and bank loans have been fulfilled or expired, normally within a twelve-month period.

Fair Value of Financial Instruments

The Company applies the provisions of ASC 820, *Fair Value Measurements and Disclosures*, to the financial instruments that are required to be carried at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The Company uses a three-tier fair value hierarchy based upon observable and non-observable inputs that prioritizes the information used to develop our assumptions regarding fair value. Fair value measurements are separately disclosed by level within the fair value hierarchy.

- Level 1—defined as observable inputs such as quoted prices in active markets for identical assets or liabilities;

- Level 2—defined as inputs other than quoted prices in active markets, that are either directly or indirectly observable; and

- Level 3—defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company's financial instruments primarily consist of cash and cash equivalents, restricted cash, accounts receivable, notes receivable, accounts payable, other payables and accrued liabilities, short-term bank loans, and notes payable.

The carrying value of cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and other current assets and liabilities approximate fair value because of the short-term nature of these items. The estimated fair values of short-term bank loans were not materially different from their carrying value as presented due to the short maturities and that the interest rates on the borrowing approximate those that would have been available for loans of similar remaining maturity and risk profile. As the carrying amounts are reasonable estimates of the fair value, these financial instruments are classified within Level 1 of the fair value hierarchy.

Accounts Receivable

Accounts receivable are carried at net realizable value. The Company reviews its accounts receivable on a periodic basis and makes general and specific allowances when there is doubt as to the collectability of individual balances. In evaluating the collectability of individual receivable balances, the Company considers many factors, including the age of the balance, customer's historical payment history, its current creditworthiness and current economic trends. Accounts are written off after exhaustive efforts at collection. The Company only grants credit terms to established customers who are deemed to be financially responsible. Credit periods to customers are within 60 days after customers received the purchased goods. If accounts receivable are to be provided for, or written off, they would be recognized in the consolidated statement of operations within operating expenses. Balance of allowance of doubtful accounts was $0.98 million and $1.08 million as of March 31, 2021 and December 31, 2020, respectively.

Inventories

Inventories are stated at the lower of cost or net realizable value, which is based on estimated selling prices less any further costs expected to be incurred for completion and disposal. Cost of raw materials is calculated using the weighted average method and is based on purchase cost. Work-in-progress and finished goods costs are determined using the weighted average method and comprise direct materials, direct labor and an appropriate proportion of overhead. As of March 31, 2021 and December 31, 2020, the Company had reserves for inventories of $0 million and $0 million, respectively. The Company records inventory reserves for excess or obsolete inventories based upon assumptions about our current and future demand forecasts.

Advance to Suppliers

Advance to suppliers represents interest-free cash paid in advance to suppliers for purchases of parts and/or raw materials. The balance of advance to suppliers was $0.54 million and $0.45 million as of March 31, 2021 and December 31, 2020.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost less accumulated depreciation, and include expenditure that substantially increases the useful lives of existing assets. Expenditures for repairs and maintenance, which do not extend the useful life of the assets, are expensed as incurred.

Depreciation is provided over their estimated useful lives, using the straight-line method. Estimated useful lives are as follows:

Plant, buildings and improvements	20 years
Machinery and equipment	2~10 years
Motor vehicles	4 years
Office equipment	3~5 years
Fixtures and decorations	5 years

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When assets are sold or retired, their costs and accumulated depreciation are eliminated from the consolidated financial statements and any gain or loss resulting from their disposal is recognized in the period of disposition as an element of other income. The cost of maintenance and repairs is charged to income as incurred, whereas significant renewals and betterments are capitalized.

Land Use Rights

According to the PRC laws, the government owns all the land in the PRC. Companies or individuals are authorized to possess and use the land only through land use rights granted by the Chinese government. The land use rights granted to the Company are being amortized using the straight-line method over the lease term of fifty years.

Impairment of Long-Lived Assets

Long-lived assets are evaluated for impairment periodically whenever events or changes in circumstances indicate that their related carrying amounts may not be recoverable in accordance with FASB ASC 360, "Property, Plant and Equipment".

In evaluating long-lived assets for recoverability, the Company uses its best estimate of future cash flows expected to result from the use of the asset and eventual disposition in accordance with FASB ASC 360-10-15. To the extent that estimated future, undiscounted cash inflows attributable to the asset, less estimated future, undiscounted cash outflows, are less than the carrying amount, an impairment loss is recognized in an amount equal to the difference between the carrying value of such asset and its fair value. Assets to be disposed of and for which there is a committed plan of disposal, whether through sale or abandonment, are reported at the lower of carrying value or fair value less costs to sell.

There was no impairment loss recognized for the year ended December 31, 2020 and 2019.

Lease

ASC 842 supersedes the lease requirements in ASC 840 "Leases", and generally requires lessees to recognize operating and finance lease liabilities and corresponding right-of-use assets on the balance sheet and to provide enhanced disclosures surrounding the amount, timing and uncertainty of cash flows arising from leasing arrangements. Leases that transfer substantially all of the benefits and risks incidental to the ownership of assets are accounted for as finance leases as if there was an acquisition of an asset and incurrence of an obligation at the inception of the lease. All other leases are accounted for as operating leases.

A sale-leaseback transaction occurs when an entity sells an asset it owns and immediately leases the asset back from the buyer. The seller then becomes the lessee and the buyer becomes the lessor. under ASC 842, both parties must assess whether the buyer-lessor has obtained control of the asset and a sale has occurred.

The Company has determined that the leaseback transaction that it newly entered in current year fails to qualify as a sale because control is not transferred to the buyer-lessor. Therefore, the Company has classified the lease portion of the transaction as a finance lease whereby the Company continues to depreciate the assets and recorded a financing obligation for the consideration received from the buyer-lessor, with an implicit interest rate of 4.0038%.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statutory Reserve

In accordance with the PRC Regulations on Enterprises with Foreign Investment, an enterprise established in the PRC with foreign investment is required to provide for certain statutory reserves, namely (i) General Reserve Fund, (ii) Enterprise Expansion Fund and (iii) Staff Welfare and Bonus Fund, which are appropriated from net profit as reported in the enterprise's PRC statutory accounts. A wholly-owned foreign enterprise is required to allocate at least 10% of its annual after-tax profit to the General Reserve Fund until the balance of such fund has reached 50% of its respective registered capital. A non-wholly-owned foreign invested enterprise is permitted to provide for the above allocation at the discretion of its board of directors. Appropriations to the Enterprise Expansion Fund and Staff Welfare and Bonus Fund are at the discretion of the board of directors for all foreign invested enterprises. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends.

Revenue Recognition

In accordance with ASC Topic 606, "Revenue from Contracts with Customers", the Company recognizes revenues when goods or services are transferred to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. In determining when and how revenues are recognized from contracts with customers, the Company performs the following five-step analysis: (i) identification of contract with customer; (ii) determination of performance obligations; (iii) measurement of the transaction price; (iv) allocation of the transaction price to the performance obligations and (v) recognition of revenues when (or as) the Company satisfies each performance obligation. The Company derives revenues from the processing, distribution and sale of its products. The Company recognizes its revenues net of value-added taxes ("VAT"). The Company is subject to VAT which had been levied at the rate of 17% on the invoiced value of sales until April 30, 2018, after which date the rate was reduced to 16%. VAT rate was further reduced to 13% starting from April 1, 2019. Output VAT is borne by customers in addition to the invoiced value of sales and input VAT is borne by the Company in addition to the invoiced value of purchases to the extent not refunded for export sales.

Revenues are recognized at a point in time once the Company has determined that the customer has obtained control over the product. Control is typically deemed to have been transferred to the customer when the performance obligation is fulfilled, usually at the time of customers' acceptance or consumption, at the net sales price (transaction price) and each of the criteria under ASC 606 have been met. Contract terms may require the Company to deliver the finished goods to the customers' location or the customer may pick up the finished goods at the Company's factory. International sales are recognized when shipment clears customs and leaves the port.

The Company has adopted ASC 606 on January 1, 2018, using the transition method of Modified-Retrospective Method ("MRM"). The adoption of ASC 606 had no impact on the Company's beginning balance of retained earnings.

The Company's contracts are all short-term in nature with a contract term of one year or less. Receivables are recorded when the Company has an unconditional right to consideration.

Contracts do not offer any price protection, but allow for the return of certain goods if quality problem, which is standard warranty. The Company product returns and recorded reserve for sales returns were minimal for the three months ended March 31, 2021 and 2020. The total rebates amount is accounting for around 0.53% and 0.43% of the total revenue of Greenland.

The following table sets forth disaggregation of revenue:

	For the three months ended March 31,	
Major Product	2021	2020
Transmission boxes for Forklift	21,549,356	9,872,057
Transmission boxes for Non-Forklift (EV, etc.)	3,061,538	10
Total	**24,610,894**	**9,872,067**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cost of Goods Sold

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 production of products. Write-down of inventory to lower of cost or net realizable value is also recorded in cost of goods sold.

Selling Expenses

Selling expenses include operating expenses such as payroll and traveling and transportation expenses.

General and Administrative Expenses

General and administrative expenses include management and office salaries and employee benefits, depreciation for office facility and office equipment, travel and entertainment, legal and accounting, consulting fees and other office expenses.

Research and Development

Research and development costs are expensed as incurred and totaled approximately $959,545 and $564,298 for the three months ended March 31, 2021 and 2020, respectively.

Government subsidies

Government subsidies are recognized when there is reasonable assurance that the subsidy will be received and all attaching conditions will be complied with. When the subsidy relates to an expense item, it is recognized as income over the periods necessary to match the subsidy on a systematic basis to the costs that it is intended to compensate. Where the subsidy relates to an asset, it is recognized as other long-term liabilities and is released to the statement of operations over the expected useful life in a consistent manner with the depreciation method for the relevant asset. Total government subsidies recorded in the other long-term liabilities were $2.27 million and $2.34 million at March 31, 2021 and December 31, 2020, respectively.

Income Taxes

The Company accounts for income taxes following the liability method pursuant to FASB ASC 740 “Income Taxes”. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the period in which the differences are expected to reverse. The Company records a valuation allowance to offset deferred tax assets if, based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rate is recognized in income in the period that includes the enactment date.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company also follows FASB ASC 740, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. ASC 740 also provides guidance on recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. As of March 31, 2021 and December 31, 2020, the Company did not have a liability for unrecognized tax benefits. It is the Company's policy to include penalties and interest expense related to income taxes as a component of other expense and interest expense, respectively, as necessary. The Company's historical tax years will remain open for examination by the local authorities until the statute of limitations has passed.

Value-Added Tax

Enterprises or individuals, who sell commodities, engage in repair and maintenance or import or export goods in the PRC are subject to a value added tax in accordance with PRC Laws. The VAT standard rate had been 17% of the gross sale price until April 30, 2018, after which date the rate was reduced to 16%. VAT rate was further reduced to 13% starting from April 1, 2019. A credit is available whereby VAT paid on the purchases of semi-finished products or raw materials used in the production of the Company's finished products can be used to offset the VAT due on the sales of the finished products.

Statutory Reserve

In accordance with the PRC Regulations on Enterprises with Foreign Investment, an enterprise established in the PRC with foreign investment is required to provide for certain statutory reserves, namely (i) General Reserve Fund, (ii) Enterprise Expansion Fund and (iii) Staff Welfare and Bonus Fund, which are appropriated from net profit as reported in the enterprise's PRC statutory accounts. A wholly-owned foreign enterprise is required to allocate at least 10% of its annual after-tax profit to the General Reserve Fund until the balance of such fund has reached 50% of its respective registered capital. A non-wholly-owned foreign invested enterprise is permitted to provide for the above allocation at the discretion of its board of directors. Appropriations to the Enterprise Expansion Fund and Staff Welfare and Bonus Fund are at the discretion of the board of directors for all foreign invested enterprises. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity during the year from transactions and other events, excluding the changes resulting from investments by owners and distributions to owners, and is not included in the computation of income tax expense or benefit. Accumulated comprehensive income consists of foreign currency translation. The Company presents comprehensive income (loss) consists in accordance with ASC Topic 220, "Comprehensive Income".

Earnings per share

The Company calculates earnings per share in accordance with ASC Topic 260 "Earnings per Share." Basic earnings per share is computed by dividing the net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed similar to basic earnings per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential ordinary shares equivalents had been issued and if the additional common shares were dilutive. On October 24, 2019, the Company completed a reverse merger with Greenland Acquisition Corporation whereby the Company received 7,500,000 shares in exchange for all the share capital, which is reflected retroactively to December 31, 2017 and will be utilized for calculating earnings per share in all prior periods. The per share amounts have been updated to show the effect of the exchange on earnings per share as if the exchange occurred at the beginning of both years for the annual financial statements of the Company. The impact of the stock exchange is also shown on the Company's Statements of Shareholders' Equity.

Pursuant to the Service Agreement entered into and by the Company and Chineseinvestors.com, Inc., an Indiana corporation ("CIIX") on August 21, 2019 (the "Service Agreement"), CIIX were to provide certain investor relations services to the Company for a period of three months beginning on August 21, 2019. And later on February 24, 2020, the Company and CIIX entered into a termination agreement (the "CIIX Termination Agreement") to terminate their respective obligations under the Service Agreement. Pursuant to the CIIX Termination Agreement, the Company agreed to issue 5,000 restricted ordinary shares, no par value (the "CIIX Termination Shares") to CIIX.

Pursuant to the Investor Relations Consulting Agreement entered into and by the Company and Skyline Corporate Communication Group, LLC, a Massachusetts limited liability Company ("SCCG") on August 15, 2019 (the "Consulting Agreement"), SCCG were to provide certain investor relations services to the Company for a period of twelve months beginning on August 15, 2019. And later on February 25, 2020, the Company and SCCG entered into a termination agreement (the "SCCG Termination Agreement") to terminate their respective obligations under the Consulting Agreement. Pursuant to the SCCG Termination Agreement, the Company agreed to issue 10,000 restricted ordinary shares, no par value (the "SCCG Termination Shares") to SCCG.

Pursuant to the CIIX Termination Agreement and the SCCG Termination Agreement, 5,000 and 10,000 restricted ordinary shares, no par value, were issued to CIIX and SCCG on March 12, 2020 and March 13, 2020, respectively, and will be utilized for calculating earnings per share for the three months ended March 31, 2021.

Segments and Related Information

ASC 280 "Segment reporting" establishes standards for reporting information on operating segments in interim and annual financial statements. All of the Company's operations are considered by the chief operating decision maker to be aggregated in one reportable operating segment.

The Company is engaged in the business of manufacturing and selling various transmission boxes. The Company's manufacturing process is essentially the same for the entire Company and is performed in-house at the Company's facilities in PRC. The Company's customers primarily consist of entities in the automotive, construction machinery or warehousing equipment industries. The distribution of the Company's products is consistent across the entire Company. In addition, the economic characteristics of each customer arrangement are similar in that the Company maintains policies at the corporate level.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Commitments and contingencies

In the normal course of business, the Company is subject to contingencies, including legal proceedings and environmental claims arising out of the normal course of businesses that relate to a wide range of matters, including among others, contracts breach liability. The Company records accruals for such contingencies based upon the assessment of the probability of occurrence and, where determinable, an estimate of the liability. Management may consider many factors in making these assessments including past history, scientific evidence and the specifics of each matter. The Company's management has evaluated all such proceedings and claims that existed as of March 31, 2021 and December 31, 2020. Normal course of businesses that relate to a wide range of matters, including among others, contracts breach liability. The Company records accruals for such contingencies based upon the assessment of the probability of occurrence and, where determinable, an estimate of the liability. Management may consider many factors in making these assessments including past history, scientific evidence and the specifics of each matter. The Company's management has evaluated all such proceedings and claims that existed as of March 31, 2021 and December 31, 2020.

Related Party

In general, related parties exist when there is a relationship that offers the potential for transactions at less than arm's-length, favorable treatment, or the ability to influence the outcome of events different from that which might result in the absence of that relationship. A related party may be any of the following: a) an affiliate, which is a party that directly or indirectly controls, is controlled by, or is under common control with another party; b) a principle owner, owner of record or known beneficial owner of more than 10% of the voting interest of an entity; c) management, which are persons having responsibility for achieving objectives of the entity and requisite authority to make decision; d) immediate family of management or principal owners; e) a parent Company and its subsidiaries; and f) other parties that have ability to significant influence the management or operating policies of the entity. The Company discloses all significant related party transactions.

Economic and Political Risks

The Company's operations are conducted in the PRC. Accordingly, the Company's business, financial condition and results of operations may be influenced by the political, economic and legal environment in the PRC, and by the general state of the PRC economy.

The Company's operations in the PRC are subject to special considerations and significant risks not typically associated with companies in North America and Western Europe. These include risks associated with, among others, the political, economic and legal environment and foreign currency exchange. The Company's results may be adversely affected by changes in the political and social conditions in the PRC, and by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion, remittances abroad, and rates and methods of taxation, among other things.

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and trade accounts receivable. All of the Company's cash is maintained with state-owned banks within the PRC, and none of these deposits are covered by insurance. The Company has not experienced any losses in such accounts. A portion of the Company's sales are credit sales which are primarily to customers whose abilities to pay are dependent upon the industry economics prevailing in these areas; however, concentrations of credit risk with respect to trade accounts receivables is limited due to generally short payment terms. The Company also performs ongoing credit evaluations of its customers to help further reduce credit risk

Exchange Risk

The Company cannot guarantee that the current exchange rate will remain steady. Therefore, there is a possibility that the Company could post the same amount of profit for two comparable periods and yet, because of a fluctuating exchange rates, record higher or lower profit depending on exchange rate of PRC Renminbi (RMB) converted to U.S. dollars on the relevant dates. The exchange rate could fluctuate depending on changes in the political and economic environment without notice.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncements

Recent accounting pronouncements that the Company has adopted or may be required to adopt in the future are summarized below:

In June 2016, the FASB issued ASU 2016-13," Measurement of Credit Losses on Financial Instruments", to require financial assets carried at amortized cost to be presented at the net amount expected to be collected based on historical experience, current conditions and forecasts. Subsequently, the FASB issued ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments, in April 2019. To clarify that receivables arising from operating leases are within the scope of lease accounting standards. In October 2019, the FASB issued ASU 2019-10, Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815) and Leases (Topic 842), which defers the effective date for public filers that are considered small reporting companies as defined by the Securities and Exchange Commission to fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Since the Company is a smaller reporting company, implementation is not needed until January 1, 2023. Adoption of the standard requires using a modified retrospective approach through a cumulative-effect adjustment to retained earnings as of the effective date to align existing credit loss methodology with the new standard. The Company is evaluating the impact of this standard on its consolidated financial statements, including accounting policies, processes, and systems, and expects the standard will have a minor impact on its consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04 (Topic 350) Intangibles—Goodwill and Other: Simplifying the Test for Goodwill Impairment, which removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. Under the amended guidance, a goodwill impairment charge will now be recognized for the amount by which the carrying value of a reporting unit exceeds its fair value, not to exceed the carrying amount of goodwill. As amended by ASU 2019-10, this ASU will be applied on a prospective basis and is effective for interim and annual periods beginning after December 15, 2022, with early adoption permitted for any impairment tests performed after January 1, 2017. The Company is evaluating the impact of the application of this standard and does not expect that the adoption of the ASU 2017-04 will have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13 Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement, which eliminates, adds, and modifies certain disclosure requirements for fair value measurements under ASC 820. This ASU is to be applied on a prospective basis for certain modified or new disclosure requirements, and all other amendments in the standard are to be applied on a retrospective basis. The new standard is effective for interim and annual periods beginning after December 15, 2019, with early adoption permitted. The Company adopted Topic 820 on January 1, 2020. The adoption of the ASU 2018-13 did not have a material impact on the Company's consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, "Income Taxes" (Topic 740): Simplifying the Accounting for Income Taxes ("ASU 2019-12"). ASU 2019-12 will simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. For public business entities, the amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. The Company does not expect that the requirements of ASU 2019-12 will have a material impact on its consolidated financial statements.

NOTE 3 – CONCENTRATION ON REVENUES AND COST OF GOODS SOLD

Concentration of major customers and suppliers:

	For the three months ended March 31,			
	2021		2020	
Major customers representing more than 10% of the Company's revenues				
Company A	$ 3,993,750	16.23%	$ 15,311,874	22.90%
Company B	2,573,399	10.46%	7,699,161	11.51
Total Revenues	**$ 6,567,149**	**26.69%**	**$ 23,011,035**	**34.41%**

	As of			
	March 31, 2021		December 31, 2020	
Major customers of the Company's accounts receivable				
Company A	3,993,750	16.17%	2,002,275	14.95%
Company B	2,573,399	7.31%	1,955,113	14.60%
Company C	1,666,458	7.50%	1,359,607	10.15%
Total	**$ 8,233,607**	**30.99%**	**$ 5,316,995**	**39.69%**

Accounts receivable from the Company's major customers accounted for 30.99% and 39.69% of total accounts receivable balances as of March 31, 2021 and December 31, 2020, respectively.

There were no suppliers representing more than 10% of the Company's total purchases for the three months ended March 31, 2021 and 2020, respectively.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable is net of allowance for doubtful accounts.

	As of	
	March 31, 2021	December 31, 2020
Accounts receivable	$ 22,049,725	$ 13,395,080
Less: allowance for doubtful accounts	(982,497)	(986,532)
Accounts receivable, net	**$ 21,067,228**	**$ 12,408,548**

Changes in the allowance for doubtful accounts are as follows:

	For the three months ended March 31,	
	2021	2020
Beginning balance	$ 986,532	$ 1,037,797
Provision for doubtful accounts	(4,035)	40,867
Ending balance	**$ 982,497**	**$ 1,078,664**

NOTE 5 – INVENTORIES

	As of	
	March 31, 2021	December 31, 2020
Raw materials	$ 7,228,655	$ 5,682,382
Revolving material	893,687	742,437
Consigned processing material	51,045	51,290
Work-in-progress	2,057,704	2,015,677
Finished goods	7,723,323	6,888,277
Inventories, net	**$ 17,954,414**	**$ 15,380,063**

NOTE 6 – NOTES RECEIVABLE

	As of	
	March 31, 2021	December 31, 2020
Bank notes receivable:	$ 32,579,066	$ 30,803,772
Commercial notes receivable	-	-
Total	**$ 32,579,066**	**$ 30,803,772**

Bank notes and commercial notes are means of payment from customers for the purchase of the Company's products and are issued by financial institutions or business entities, respectively, that entitle the Company to receive the full nominal amount from the issuer at maturity, which bears no interest and generally ranges from three to six months from the date of issuance. As of March 31, 2021, the Company pledged notes receivable for an aggregate amount of $27.45 million to Bank of Communications and Bank of Hangzhou as a means of security for issuance of bank acceptance notes for an aggregate amount of $26.18 million. As of December 31, 2020, the Company pledged notes receivable for an aggregate amount of $26.53 million to Bank of Communications as a means of security for issuance of bank acceptance notes for an aggregate amount of $23.70 million. The Company expects collection of notes receivable within 6 months.

NOTE 7 – PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

(a) At March 31, 2021 and December 31, 2020, property, plant and equipment consisted of the following:

	As of	
	March 31, 2021	December 31, 2020
Buildings	$ 12,403,010	$ 12,453,285
Machinery	20,943,732	20,907,623
Motor vehicles	324,517	325,850
Electronic equipment	197,692	198,955
Total property plant and equipment, at cost	**33,868,951**	**33,885,713**
Less: accumulated depreciation	(14,367,871)	(13,843,189)
Property, plant and equipment, net	**$ 19,501,080**	**$ 20,042,524**
Construction in process	92,435	92,815
Total	**$ 19,593,515**	**$ 20,135,339**

For the three months ended March 31, 2021 and 2020, depreciation expense amounted to $0.62 million and $0.56 million, respectively, of which $0.38 million and $0.37 million, respectively, was included in cost of revenue and inventories, and the remainder was included in general and administrative expense and research and development expenses etc.

For the three months ended March 31, 2021 and 2020, $0 and $375,119 of construction in progress were converted into fixed assets.

NOTE 7 – PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS (CONTINUED)

Restricted assets consist of the following:

	As of	
	March 31, 2021	December 31, 2020
Buildings, net	$ 11,005,439	$ 11,050,641
Machinery, net	2,141,488	2,150,284
Total	**13,146,927**	**13,200,925**

As of March 31, 2021, the Company pledged its Buildings ownership of buildings for net book value of RMB72.11 million ($11.01 million) as security with ABC Xinchang and Rural commercial bank, for its loan facility with maximum exposure of RMB94.63 million.

As of December 31, 2020, the Company pledged its Buildings ownership of buildings for net book value of RMB72.11 million ($11.05 million) as security with ABC Xinchang and Rural commercial bank, for its loan facility with maximum exposure of RMB104.63 million.

On January 3, 2019, the Company sold a set of manufacturing equipment to third parties for aggregate proceeds of $3.08 million (RMB21.25 million) and the Company entered into lease agreements under which the Company agreed to lease back each of the properties for an initial term of 3 years. On May 12, 2020, the Company prepaid the financing lease obligations for aggregate payment of $1.34 million.

On April 26, 2019, the Company sold various equipment including the general assembly line and the differential assembly line to third parties for aggregate proceeds of $2.12 million (RMB14.66 million) and the Company entered into lease agreements under which the Company agreed to lease back each of the properties for an initial term of 2 years. On April 30, 2020, the Company prepaid the financing lease obligations for aggregate payment of $0.94 million.

On May 27, 2020, the Company sold various equipment including the general assembly line and the differential assembly line to third parties for aggregate proceeds of $1.42 million (RMB10.00 million) and the Company entered into lease agreements under which the Company agreed to lease back each of the properties for an initial term of 2 years.

The Company determined that it did not relinquish control of the assets to the buyer-lessor. Therefore, the Company accounted for the transactions as failed sale-leaseback whereby the Company continues to depreciate the assets and recorded a financing obligation for the consideration received from the buyer-lessor.

NOTE 8 – LAND USE RIGHTS

Land use rights consisted of the following:

	As of	
	March 31, 2021	December 31, 2020
Land use rights, cost	$ 4,695,901	$ 4,715,188
Less: Accumulated amortization	(699,921)	(679,934)
Land use rights, net	**$ 3,995,980**	**$ 4,035,254**

As of March 31, 2021, there was land use rights with net book value of $4.00 million, which approximately were used as collateral for the Company's short-term bank loans. As of December 31, 2020, there was land use rights with net book value of $4.04 million, which approximately were used as collateral for the Company's short-term bank loans.

Estimated future amortization expense is as follows as of March 31, 2021:

Years ending March 31,	Amortization expense
2022	$ 91,840
2023	91,840
2024	91,840
2025	91,840
2026	91,840
Thereafter	3,536,780
Total	**$ 3,995,980**

NOTE 9 – NOTES PAYABLE

	As of	
	March 31, 2021	December 31, 2020
Bank acceptance notes	$ 30,539,541	$ 25,889,067
Total	**$ 30,539,541**	**$ 25,889,067**

The interest-free notes payable, ranging from nine months to one year from the date of issuance, were secured by $2.06 million and $2.24 million restricted cash, $27.45 million and $26.53 million notes receivable, and $4.00 million and $4.04 million land use rights, as of March 31, 2021 and December 31, 2020, respectively.

All the notes payable are subject to bank charges of 0.05% of the principal amount as commission, included in the financial expenses in the statement of operations, on each loan transaction. The interest charge of notes payable is free.

NOTE 10 – ACCOUNTS PAYABLE

Accounts payable are summarized as follow:

	As of	
	March 31, 2021	December 31, 2020
Procurement of Materials	$ 26,997,424	$ 21,140,063
Infrastructure & Equipment	1,387,032	717,053
Freight fee	145,739	148,144
Total	**$ 28,530,195**	**$ 22,005,260**

NOTE 11 – SHORT TERM BANK LOANS

Short-term loans are summarized as follow:

	As of	
	March 31, 2021	December 31, 2020
Collateralized bank loans	$ 15,664,397	$ 17,261,302
Guaranteed bank loans	1,984,188	1,226,054
Total	**$ 17,648,585**	**$ 18,487,356**

Short-term loans as of March 31, 2021 are as follow:

Maturity Date	Type	Bank Name	Interest Rate per Annum (%)	March 31, 2021
Sep.01, 2021	Operating Loans	Agricultural bank of PRC	4.44	$ 4,400,318
Sep.06, 2021	Operating Loans	Agricultural bank of PRC	4.44	$ 6,227,297
Sep.16, 2021	Operating Loans	Rural commercial bank of Xinchang	5.30	$ 1,221,038
Sep.22, 2021	Operating Loans	Rural commercial bank of Xinchang	4.35	$ 1,221,038
Sep.26, 2021	Operating Loans	Rural commercial bank of Xinchang	4.35	$ 2,594,707
Jan.21, 2022	Operating Loans	Rural commercial bank of Xinchang	5.30	$ 763,149
Nov.11, 2021	Operating Loans	SPD Rural Bank of Xinchang	5.50	$ 1,221,038
Total				**$ 17,648,585**

NOTE 11 – SHORT TERM BANK LOANS (CONTINUED)

Short-term loans as of December 31, 2020 are as follow:

Maturity Date	Type	Bank Name	Interest Rate per Annum (%)	December 31, 2020
Sep.01, 2021	Operating Loans	Agricultural bank of PRC	4.44	$ 5,950,958
Sep.06, 2021	Operating Loans	Agricultural bank of PRC	4.44	$ 6,252,874
Sep.16, 2021	Operating Loans	Rural commercial bank of Xinchang	5.30	$ 1,226,053
Sep.22, 2021	Operating Loans	Rural commercial bank of Xinchang	4.35	$ 1,226,053
Sep.26, 2021	Operating Loans	Rural commercial bank of Xinchang	4.35	$ 2,605,364
Nov.11, 2021	Operating Loans	SPD Rural Bank of Xinchang	5.50	1,226,054
Total				**$ 18,487,356**

All short-term bank loans are obtained from local banks in PRC and are repayable within one year.

The average annual interest rate of the short-term bank loans was 4.597% and 4.547% for the three months ended March 31, 2021 and 2020, respectively. The Company was in compliance with its loan financial covenants at March 31, 2021 and December 31, 2020, respectively.

NOTE 12 – OTHER CURRENT LIABILITIES

Other current liabilities are summarized as follow:

	As of	
	March 31, 2021	December 31, 2020
Employee payables	111,537	483,922
Other tax payables	1,752,713	1,208,323
Borrowing from third party	266,831	520,080
Total	**$ 2,131,081**	**$ 2,212,325**

NOTE 13 – OTHER LONG-TERM LIABILITIES

Other long-term liabilities are summarized as follow:

	As of	
	March 31, 2021	December 31, 2020
Subsidy	2,270,726	2,342,648
Total	**$ 2,270,726**	**$ 2,342,648**

The subsidy mainly consists of an incentive granted by the Chinese government to encourage transformation of fixed assets in China and other miscellaneous subsidy from the Chinese government. As of March 31, 2021, grant income increased by $0.07 million, as compared to December 31, 2020. The change was mainly due to timing of incurring qualifying expenses.

NOTE 14 – LONG TERM PAYABLES

	As of	
	March 31, 2021	December 31, 2020
Long-term payables current portion	$ 767,496	$ 797,179
Long-term payables– non-current portion	-	166,292
Total	**$ 767,496**	**$ 963,471**

On January 3, 2019, the Company sold a set of manufacturing equipment to third parties for aggregate proceeds of $3.08 million (RMB21.25 million) and the Company entered into lease agreements under which the Company agreed to lease back each of the properties for an initial term of 3 years. On May 12, 2020, the Company prepaid the financing lease obligations for aggregate payment of $1.34 million.

On April 26, 2019, the Company sold various equipment including the general assembly line and the differential assembly line to third parties for aggregate proceeds of $2.12 million (RMB14.66 million) and the Company entered into lease agreements under which the Company agreed to lease back each of the properties for an initial term of 2 years. On April 30, 2020, the Company prepaid the financing lease obligations for aggregate payment of $0.94 million.

On May 27, 2020, the Company sold various equipment including its general assembly line and the differential assembly line to third parties for aggregate proceeds of $1.42 million (RMB10.00 million). The Company also entered into lease agreements under which the Company agreed to lease back each of the properties for an initial term of 2 years.

The Company determined that it did not relinquish control of the assets to the buyer-lessor. Therefore, the sale of the equipment does not qualify for sale-leaseback accounting. As a result, the aggregate proceeds have been recorded as a financing obligation and the assets related to the sold and leased manufacturing equipment remain on the Company's Consolidated Balance Sheet and continue to be depreciated. The current and long-term portions of the financing obligation are included within long-term payables-current portion and long-term payables-non-current portion, respectively.

NOTE 15 – STOCKHOLDER'S EQUITY

Preferred Shares — The Company is authorized to issue an unlimited number of no par value preferred shares, divided into five classes, Class A through Class E, each with such designation, rights and preferences as may be determined by a resolution of the Company's board of directors to amend the Memorandum and Articles of Association to create such designations, rights and preferences. The Company has five classes of preferred shares to give the Company flexibility as to the terms on which each Class is issued. All shares of a single class must be issued with the same rights and obligations. Accordingly, starting with five classes of preferred shares will allow the Company to issue shares at different times on different terms. As of March 31, 2021 and December 31, 2020, there were no preferred shares designated, issued or outstanding.

Ordinary Shares — The Company is authorized to issue an unlimited number of no par value ordinary shares. Holders of the Company's ordinary shares are entitled to one vote for each share. As of March 31, 2021 and December 31, 2020, there were 10,498,127 and 10,225,142 ordinary shares issued and outstanding.

On July 27, 2018, the Company consummated its initial public offering of 4,400,000 units, including a partial exercise by the underwriters of their over-allotment option in the amount of 400,000 units. Each unit consists of one ordinary share, no par value, one warrant to purchase one-half of one ordinary share and one right to receive one-tenth of one ordinary share upon the consummation of its initial business combination.

NOTE 15 – STOCKHOLDER'S EQUITY (CONTINUED)

Simultaneously with the consummation of its initial public offering, the Company completed a private placement of 282,000 units, issued to Greenland Asset Management Corporation (the "Sponsor") and Chardan Capital Markets, LLC.

In 2019, in connection with the Business Combination 3,875,458 redeemable shares have been redeemed and 81,400 redeemable shares have been converted into ordinary shares, 1,906,542 ordinary shares left upon consummation of the reverse recapitalization.

Pursuant to the Share Exchange Agreement, Greenland acquired from the Seller all of the issued and outstanding equity interests of Zhongchai Holding in exchange for 7,500,000 newly issued ordinary shares, no par value of Greenland, issued to the Seller (the "Exchange Shares"). As a result, the Seller became the controlling shareholder of Greenland, and Zhongchai Holding became a directly and wholly owned subsidiary of Greenland. The Business Combination was accounted for as a reverse merger effected by a share exchange, wherein Zhongchai Holding is considered the acquirer for accounting and financial reporting purposes. The recapitalization of the number of shares of common stock attributable to the purchase of Zhongchai Holding in connection with the Business Combination is reflected retroactively to December 31, 2017 and will be utilized for calculating earnings per share in all prior periods presented. The impact of the stock exchange is also shown on the Company's Statements of Stockholders' Equity.

Pursuant to certain Finder Agreement with Hanyi Zhou, dated May 29, 2019, 50,000 newly issued ordinary shares were issued to Zhou Hanyi as the finder fee for the business combination.

In connection with the Business Combination, all the outstanding rights of the Company were converted into 468,200 ordinary shares on a one-tenth (1/10) ordinary share per right basis if holders of the rights elected to convert their rights into the underlying ordinary shares.

Pursuant to the Service Agreement entered into and by The Company and Chineseinvestors.com, Inc., an Indiana corporation ("CIIX") on August 21, 2019 (the "Service Agreement"), CIIX were to provide certain investor relations services to the Company for a period of three months beginning on August 21, 2019. Pursuant to the Service Agreement, the Company were to pay CIIX fees consisting of three equal monthly instalments of $12,000 and 5,000 restricted ordinary shares, no par value, of the Company on a quarterly basis during the term of the Consulting Agreement. On February 24, 2020, Greenland and CIIX entered into a termination agreement (the "CIIX Termination Agreement") to terminate their respective obligations under the Service Agreement. Pursuant to the CIIX Termination Agreement, the Company agreed to issue 5,000 restricted ordinary shares, no par value (the "CIIX Termination Shares") to CIIX. Upon CIIX's receipt of the CIIX Termination Shares, the Company will have fully satisfied its payment obligations under the Service Agreement.

Pursuant to the Investor Relations Consulting Agreement entered into and by The Company and Skyline Corporate Communication Group, LLC, a Massachusetts limited liability Company ("SCCG") on August 15, 2019 (the "Consulting Agreement"), SCCG were to provide certain investor relations services to the Company for a period of twelve months beginning on August 15, 2019. Pursuant to the Consulting Agreement, the Company were to pay SCCG fees consisting of $5,000 per month and 1,250 restricted ordinary shares, no par value, of the Company on a quarterly basis during the term of the Consulting Agreement. On February 25, 2020, Greenland and SCCG entered into a termination agreement (the "SCCG Termination Agreement") to terminate their respective obligations under the Consulting Agreement. Pursuant to the SCCG Termination Agreement, the Company agreed to issue 10,000 restricted ordinary shares, no par value (the "SCCG Termination Shares") to SCCG. Upon SCCG's receipt of the SCCG Termination Shares, the Company will have fully satisfied its payment obligations under the Consulting Agreement.

On November 10, 2020, the Company granted a total of 135,000 restricted ordinary shares to JING JIN.

On December 30, 2020, the Company granted a total of 69,000 restricted ordinary shares to RAYMOND Z. WANG.

On February 8, 2021, the Company granted a total of 51,000 restricted ordinary shares to RAYMOND Z. WANG.

Rights — Each holder of a right will receive one-tenth (1/10) of one ordinary share upon consummation of a Business Combination, even if the holder of such right redeemed all Public Shares held by it in connection with a Business Combination. No fractional shares will be issued upon exchange of the rights. No additional consideration will be required to be paid by a holder of rights in order to receive its additional shares upon consummation of a Business Combination as the consideration related thereto has been included in the Unit purchase price paid for by investors in the Initial Public Offering. If the Company enters into a definitive agreement for a Business Combination in which the Company will not be the surviving entity, the definitive agreement provides for the holders of rights to receive the same per share consideration the holders of the ordinary shares will receive in the transaction on an as-converted into ordinary share basis and each holder of a right will be required to affirmatively convert its rights in order to receive the 1/10 of one share underlying each right (without paying additional consideration). The shares issuable upon exchange of the rights will be freely tradable (except to the extent held by affiliates of the Company).

If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of rights will not receive any of such funds with respect to their rights, nor will they receive any distribution from the Company's assets held outside of the Trust Account with respect to such rights, and the rights will expire worthless. Further, there are no contractual penalties for failure to deliver securities to the holders of the rights upon consummation of a Business Combination. Additionally, in no event will the Company be required to net cash settle the rights. Accordingly, the rights may expire worthless.

As of March 31, 2021, all of the existing Rights were converted into 468,200 ordinary shares as a result of the Business Combination.

NOTE 15 – STOCKHOLDER'S EQUITY (CONTINUED)

Warrants **—** Public Warrants may only be exercised for a whole number of shares. No fractional shares will be issued upon exercise of the Public Warrants. The Public Warrants will become exercisable on the later of (a) the consummation of a Business Combination or (b) July 24, 2019. No Public Warrants will be exercisable for cash unless the Company has an effective and current registration statement covering the ordinary shares issuable upon exercise of the Public Warrants and a current prospectus relating to such ordinary shares. Notwithstanding the foregoing, if a registration statement covering the ordinary shares issuable upon the exercise of the Public Warrants is not effective within 90 days from the consummation of a Business Combination, the holders may, until such time as there is an effective registration statement and during any period when the Company shall have failed to maintain an effective registration statement, exercise the Public Warrants on a cashless basis pursuant to an available exemption from registration under the Securities Act. If an exemption from registration is not available, holders will not be able to exercise their Public Warrants on a cashless basis. The Public Warrants will expire five years from the consummation of a Business Combination or earlier upon redemption or liquidation.

The Company may call the warrants for redemption (excluding the Private Warrants), in whole and not in part, at a price of $0.01 per warrant:

- At any time while the Public Warrants are exercisable,
- Upon not less than 30 days' prior written notice of redemption to each Public Warrant holder,
- If, and only if, the reported last sale price of the ordinary shares equals or exceeds $16.50 per share, for any 20 trading days within a 30-trading-day period ending on the third trading day prior to the notice of redemption to Public Warrant holders, and
- If, and only if, there is a current registration statement in effect with respect to the ordinary shares underlying such warrants at the time of redemption and for the entire 30-day trading period referred to above and continuing each day thereafter until the date of redemption.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement. The exercise price and number of ordinary shares issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, extraordinary dividend or recapitalization, reorganization, merger or consolidation. However, the warrants will not be adjusted for issuances of ordinary shares at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the warrants. Accordingly, the warrants may expire worthless.

The Private Warrants are identical to the Public Warrants underlying the Units sold in the Initial Public Offering, except that the Private Warrants and the ordinary shares issuable upon the exercise of the Private Warrants are not transferable, assignable or saleable until 30 days after the completion of a Business Combination, subject to certain limited exceptions. Additionally, the Private Warrants are exercisable on a cashless basis and are non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

As of March 31, 2021 there were total 4,682,000 Warrants outstanding, including 4,621,985 Public Warrants held by CEDE & CO, and 22,000 and 260,000 Private Warrants held by Chardan Capital Markets, LLC and Greenland Asset Management Corporation, respectively.

Certain warrants were exercised in February of 2021 for the issuance of 221,985 newly issued ordinary shares. The Company received cash proceeds of $1,858,841 from the exercise of these warrants.

Unit Purchase Option

On July 27, 2018, the Company sold to Chardan (and its designees), for $100, an option to purchase up to 240,000 Units exercisable at $11.50 per Unit (or an aggregate exercise price of $2,760,000) commencing on the later of July 24, 2019 and the consummation of a Business Combination. The unit purchase option may be exercised for cash or on a cashless basis, at the holder's option, and expires July 24, 2023. The Units issuable upon exercise of the option are identical to those offered in the Initial Public Offering. The Company accounted for the unit purchase option, inclusive of the receipt of $100 cash payment, as an expense of the Initial Public Offering resulting in a charge directly to shareholders' equity. The option and such units purchased pursuant to the option, as well as the ordinary shares underlying such units, the rights included in such units, the ordinary shares that are issuable for the rights included in such units, the warrants included in such units, and the shares underlying such warrants, have been deemed compensation by FINRA and are therefore subject to a 180-day lock-up pursuant to Rule 5110(g) (1) of FINRA's NASDAQ Conduct Rules. Additionally, the option may not be sold, transferred, assigned, pledged or hypothecated for a one-year period (including the foregoing 180-day period) following the date of Initial Public Offering except to any underwriter and selected dealer participating in the Initial Public Offering and their bona fide officers or partners. The option grants to holders demand and "piggy back" rights for periods of five and seven years, respectively, from the effective date of the registration statement with respect to the registration under the Securities Act of the securities directly and indirectly issuable upon exercise of the option. The Company will bear all fees and expenses attendant to registering the securities, other than underwriting commissions which will be paid for by the holders themselves. The exercise price and number of units issuable upon exercise of the option may be adjusted in certain circumstances including in the event of a stock dividend, or the Company's recapitalization, reorganization, merger or consolidation. However, the option will not be adjusted for issuances of ordinary shares at a price below its exercise price. As of March 31, 2021, there was no unit purchase option outstanding.

NOTE 16 – EARNINGS PER SHARE

The Company reports earnings per share in accordance with the provisions of the FASB's related accounting standard. This standard requires presentation of basic and diluted earnings per share in conjunction with the disclosure of the methodology used in computing such earnings per share. Basic earnings per share excludes dilution, but includes vested restricted stocks and is computed by dividing income available to shareholders by the weighted average common shares outstanding during the period. Diluted earnings per share takes into account the potential dilution that could occur if securities or other contracts to issue ordinary shares were exercised and converted into ordinary shares. On October 24, 2019, the Company completed a reverse merger with Zhongchai Holding. The recapitalization of the number of shares of common stock attributable to the purchase of Zhongchai Holding in connection with the Business Combination is reflected retroactively to December 31, 2017 and will be utilized for calculating earnings per share in all prior periods presented. Pursuant to the CIIX Termination Agreement and the SCCG Termination Agreement, 5,000 and 10,000 restricted ordinary shares, no par value, were issued to CIIX and SCCG on March 12, 2020 and March 13, 2020 respectively.

The following is a reconciliation of the basic and diluted earnings per share computation:

	Three months ended March 31,	
	2021	**2020**
Net income attributable to the Greenland Corporation and subsidiaries	$ 2,128,568	$ 256,664
Weighted average basic and diluted computation shares outstanding:		
Shares outstanding at the beginning or period	10,225,142	10,006,142
Weighted average shares of restricted grants	29,467	15,000
Weighted average shares issued for exercise of warrants	79,359	-
Weighted average shares of common stock	**10,333,968**	**10,009,198**
Dilutive effect of stock options	-	-
Restricted stock vested not issued	-	-
Common stock and common stock equivalents	10,333,968	10,009,198
Basic and diluted net income per share	$ 0.21	$ 0.03

NOTE 17 – GEOGRAPHICAL SALES AND SEGMENTS

All of the Company's operations are considered by the chief operating decision maker to be aggregated in one reportable operating segment.

Information for the Company's sales by geographical area for the three months ended March 31, 2021 and 2020 are as follows:

	For the three months ended March 31,	
	2021	**2020**
Domestic Sales	$ 24,501,039	$ 9,863,853
International Sales	109,855	8,214
Total	**$ 24,610,894**	**$ 9,872,067**

NOTE 18 – INCOME TAXES

Income tax expense includes a provision for federal, state and foreign taxes based on the annual estimated effective tax rate applicable to the Company and its subsidiaries, adjusted for items which are considered discrete to the period.

The effective tax rates on income before income taxes for the three months ended March 31, 2021 was 17.62%. The effective tax rate for the three months ended March 31, 2021 was lower than the PRC tax rate of 25.0% primarily due to the China Super R&D deduction. The effective tax rate is based on forecasted annual results and these amounts may fluctuate significantly through the rest of the year as a result of the unpredictable impact of COVID-19 on its operating activities.

The effective tax rate on income before income taxes for the three months ended March 31, 2020 was 13.04%. The effective tax rate for the three months ended March 31, 2020 was lower than the PRC tax rate of 25.0% primarily due to the China Super R&D deduction.

The Company has recorded $0 unrecognized benefit as of March 31, 2021. On the information currently available, the Company does not anticipate a significant increase or decrease to its unrecognized benefit within the next 12 months.

NOTE 19 – COMMITMENTS AND CONTINGENCIES

Guarantees and pledged collateral for bank loans to other parties:

(1) Pledged collateral for bank loans

On December 6, 2019, Zhejiang Zhongchai signed a Maximum Amount Pledge Contract with Agricultural Bank of PRC Co., Ltd. Xinchang County Sub-Branch (ABC Xinchang), pledging its land use rights for original book value of RMB11.08 million and property ownership for original book value of RMB35.12 million as security with ABC Xinchang, for its loan facility with maximum exposure of RMB48.83 million during the period from December 6, 2019 to May 21, 2022. As of March 31, 2021 and December 31, 2020, outstanding amount of the short-term bank loan under this Pledge Contract was RMB28.83 million and RMB38.83 million.

On November 28, 2019, Zhejiang Zhongchai signed a Maximum Amount Pledge Contract with Agricultural Bank of PRC Co., Ltd. Xinchang County Sub-Branch (ABC Xinchang), pledging its land use rights for original book value of RMB9.84 million and property ownership for original book value of RMB27.82 million, as security with ABC Xinchang, for its loan facility with maximum exposure of RMB40.80 million during the period from November 28, 2019 to December 26, 2022. As of March 31, 2021 and December 31, 2020, outstanding amount of the short-term bank loan under this Pledge Contract was RMB40.80 million and RMB40.80 million.

On December 17, 2019, Zhejiang Zhongchai signed a Maximum Amount Pledge Contract with Rural Commercial Bank of PRC Co., Ltd., pledging its land use rights for original book value of RMB4.75 million and property ownership for original book value of RMB11.28 million as security, for its loan facility with maximum exposure of RMB16.95 million during the period from December 16, 2019 to December 15, 2024. As of March 31, 2021 and December 31, 2020, outstanding amount of the short-term bank loan under this Pledge Contract was RMB17.00 million and RMB17.00 million.

On December 18, 2019, Zhejiang Zhongchai signed a Maximum Amount Pledge Contract with Rural Commercial Bank of PRC Co., Ltd., pledging its land use rights for original book value of RMB4.17 million as security, for its loan facility with maximum exposure of RMB8.00 million during the period from December 16, 2019 to December 15, 2024. As of March 31, 2021 and December 31, 2020, outstanding amount of the short-term bank loan under this Pledge Contract was RMB8.00 million and RMB8.00 million.

(2) Litigation

On October 14, 2019, the plaintiff, the Company and all other named defendants entered into a confidential memorandum of understanding (the "MOU"), pursuant to which a Stipulation and Order of Dismissal ("Stipulation of Dismissal") of the Action was filed on October 14, 2019. The Stipulation of Dismissal was approved and entered by the District Court on October 15, 2019. Among other things, the Stipulation of Dismissal acknowledged that the Definitive Proxy Statement mooted the plaintiff's claims regarding the sufficiency of disclosures, dismissed all claims asserted in the Action, with prejudice as to the plaintiff only, permits the plaintiff to seek an award of attorneys' fees in connection with the mooted claims, and reserves the defendants' rights to oppose such an award, if appropriate. Pursuant to the MOU, the parties have engaged in discussions regarding the amount of attorneys' fees, if any, to which the plaintiff's counsel is entitled in connection with the Action. As of January 25,2021, we have been settled with our counter party which paid into in total $65,000. As of March 31, 2021, those discussions have been completed.

Facility Leases

The Company entered into a failed sale-leaseback transaction on January 3, 2019 and April 26, 2019. See further discussion in NOTE 14 –LONG TERM PAYABLES.

Rent expense is recognized on a straight-line basis over the terms of the operating leases accordingly and the Company records the difference between cash rent payments and the recognition of rent expense as a deferred rent liability.

The following are the aggregate non-cancellable future minimum lease payments under operating and financing leases as of March 31, 2021:

Years ending March 31,	Amount
2022	767,496
2023	-
Total	**$ 767,496**

NOTE 20 – RELATED PARTY TRANSACTIONS

(a) Names and Relationship of Related Parties:

	Existing Relationship with the Company
Sinomachinery Holding Limited	Under common control of Peter Zuguang Wang
Cenntro Holding Limited	Controlling shareholder of the Company
Zhejiang Kangchen Biotechnology Co., Ltd.	Under common control of Peter Zuguang Wang
Cenntro Smart Manufacturing Tech. Co., Ltd.	Under common control of Peter Zuguang Wang
Zhejiang Zhonggong Machinery Co., Ltd.	Under common control of Peter Zuguang Wang
Zhejiang Zhonggong Agricultural Equipment Co., Ltd.	Under common control of Peter Zuguang Wang
Jiuxin Investment Management Partnership (LP)	Under control of Mr. Mengxing He, the General Manger and one of the directors of Zhejiang Zhongchai
Zhuhai Hengzhong Industrial Investment Fund (Limited Partnership)	Under common control of Peter Zuguang Wang
Hangzhou Cenntro Autotech Co., Limited	Under common control of Peter Zuguang Wang
Peter Zuguang Wang	Chairman of the Company
Greenland Asset Management Corporation	Shareholder of the Company
Hangzhou Jiuru Economic Information Consulting Co. Ltd	One of the directors of Hengyu

(b) Summary of Balances with Related Parties:

	As of	
	March 31, 2021	December 31, 2020
Due to related parties:		
Sinomachinery Holding Limited[1]	$ 1,775,869	$ 1,775,869
Zhejiang Kangchen Biotechnology Co., Ltd[2]	-	64,505
Zhejiang Zhonggong Machinery Co., Ltd.[3]	474,913	538,166
Zhejiang Zhonggong Agricultural Equipment Co., Ltd.[4]	-	-
Cenntro Smart Manufacturing Tech. Co., Ltd.[5]	3,587	3,602
Zhuhai Hengzhong Industrial Investment Fund (Limited Partnership)[6]	485,175	514,365
Cenntro Holding Limited[7]	1,591,627	1,591,627
Peter Zuguang Wang[7]	25,000	25,000
Greenland Asset Management Corporation[7]	-	-
Xinchang County Jiuxin Investment Management Partnership (LP)[7]	3,567,050	4,347,985
Hangzhou Jiuru Economic Information Consulting Co. Ltd[7]	190,000	190,000
Total	**$ 8,088,221**	**$ 9,051,119**

The balance of Due to related parties as of March 31, 2021 and December 31, 2020 consisted of:

1 Advance from Sinomachinery Holding Limited for certain purchase order;

2 Temporary borrowings from Zhejiang Kangchen Biotechnology Co., Ltd.;

3 Unpaid balances for purchasing of materials and equipment and temporary borrowing from Zhejiang Zhonggong Machinery Co., Ltd.;

4 Unpaid balances for purchasing of materials from Zhejiang Zhonggong Agricultural Equipment Co., Ltd.;

5 Prepayment from Cenntro Smart Manufacturing Tech. Co., Ltd.;

6 Temporary borrowings from Zhuhai Hengzhong Industrial Investment Fund (Limited Partnership); and

7 Borrowings from related parties

NOTE 20 – RELATED PARTY TRANSACTIONS (CONTINUED)

	As of	
	March 31, 2021	**December 31, 2020**
Due from related parties-current:		
Cenntro Holding Limited	$ 38,377,544	$ 38,535,171
Cenntro Smart Manufacturing Tech. Co., Ltd.	3,053	-
Total	**$ 38,380,597**	**$ 38,535,171**

The balance of Due from related parties as of March 31, 2021 and December 31, 2020 consisted of:

Other receivable from Cenntro Holding Limited was $38.4 million and $38.5 million as of March 31, 2021 and December 31, 2020, respectively.

The Company expects the amount due from its equity holder, Cenntro Holding will pay back on April 27th, 2022, as mutually agreed by the Company and Cenntro Holding Limited, for an extension of repayment from the end of October 2020 in accordance with the original maturity date.

NOTE 20 – RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Summary of Related Party Funds Lending:

A summary of funds lending with related parties for the three months ended March 31, 2021 and 2020 are listed below:

Withdraw funds from related parties:	**For the three months ended March 31,**	
	2021	**2020**
Zhejiang Zhonggong Machinery Co., Ltd.	76,956	355,586
Cenntro Smart Manufacturing Tech. Co., Ltd.	24,934	-
Peter Zuguang Wang	25,000	-
Xinchang County Jiuxin Investment Management Partnership (LP)	-	256,022
Cenntro Holding Limited	251,973	-
Zhuhai Hengzhong Industrial Investment Fund (Limited Partnership)	30,782	8,575
Total	**409,645**	**620,183**
Deposit funds with related parties:		
Zhejiang Zhonggong Machinery Co., Ltd.	138,521	355,586
Xinchang County Jiuxin Investment Management Partnership (LP)	769,562	-
Zhuhai Hengzhong Industrial Investment Fund (Limited Partnership)	61,565	-
Cenntro Smart Manufacturing Tech. Co., Ltd.	18,777	-
Zhejiang Kangchen Biotechnology Co., Ltd	64,505	-
Peter Zuguang Wang	25,000	-
Total	**1,077,930**	**355,586**

NOTE 21 – SUBSEQUENT EVENTS

The management has evaluated subsequent events through the date of the report, and there was no material subsequent event requiring adjustments to the financial statements or disclosure.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion and analysis of financial condition and results of operations relates to the operations and financial condition reported in the consolidated financial statements of the Company thereto, which appear elsewhere in this Report, and should be read in conjunction with such financial statements and related notes included in this Report. Except for the historical information contained herein, the following discussion, as well as other information in this Report, contain "forward-looking statements," within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the "safe harbor" created by those sections. Actual results and the timing of the events may differ materially from those contained in these forward-looking statements due to many factors, including those discussed in the "Forward-Looking Statements" set forth elsewhere in this Report.

Overview

The registrant was incorporated on December 28, 2017 as a British Virgin Islands Company with limited liability. The registrant was incorporated as a blank check Company for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, recapitalization, reorganization or similar business combination with one or more target businesses. Following the Business Combination (as described and defined below) in October 2019, the registrant changed its name from Greenland Acquisition Corporation to Greenland Technologies Holding Corporation ("Greenland").

On July 27, 2018, we consummated our initial public offering of 4,400,000 units, including a partial exercise by the underwriters of their over-allotment option in the amount of 400,000 units. Each unit consists of one ordinary share, no par value, one warrant to purchase one-half of one ordinary share, and one right to receive one-tenth of one ordinary share upon the consummation of our initial business combination, pursuant to a registration statement on Form S-1. Warrants must be exercised in multiples of two warrants, and each two warrants are exercisable for one ordinary share at an exercise price of $11.50 per share. The units were sold in our initial public offering at an offering price of $10.00 per unit, generated $44,000,000 (before underwriting discounts and offering expenses) in gross proceeds.

Simultaneously with the consummation of our initial public offering, we completed a private placement of 282,000 units, issued to Greenland Asset Management Corporation (the "Sponsor") and Chardan Capital Markets, LLC, generated $2,820,000 in gross proceeds.

On October 24, 2019, we consummated our business combination with Zhongchai Holding (the "Business Combination") following a special meeting, where the shareholders of Greenland considered and approved, among other matters, a proposal to adopt and entered into the Share Exchange Agreement that allowed Greenland to acquire from the Seller all of the issued and outstanding equity interests of Zhongchai Holding in exchange for 7,500,000 newly issued ordinary shares, no par value of Greenland, issued to the Seller. As a result, the Seller became the controlling shareholder of Greenland, and Zhongchai Holding became a directly and wholly owned subsidiary of Greenland. The Business Combination was accounted for as a reverse merger effected by a share exchange, wherein Zhongchai Holding is considered the acquirer for accounting and financial reporting purposes.

In connection with the Business Combination, all the outstanding rights of the Company were converted into 468,200 ordinary shares on a one-tenth (1/10) ordinary share per right basis if holders of the rights elected to convert their rights into the underlying ordinary shares.

On December 17, 2019, the Company's warrants, which were trading under the ticker symbol "GTECW," were delisted from the Nasdaq Capital Market by the Nasdaq Listing Qualifications Staff.

On January 14, 2020, Greenland Technologies Corp. was incorporated under the laws of the State of Delaware ("Greenland Tech"). Greenland Tech is a 100% owned subsidiary of the registrant. We aim to use it as our U.S. operation site for the assembly, marketing and sales of electric industrial vehicles for the North American market.

Greenland serves as the parent Company for the primary operating Company, Zhongchai Holding (Hong Kong) Limited, a holding Company formed under the laws of Hong Kong on April 23, 2009 ("Zhongchai Holding"). Through Zhongchai Holding and other subsidiaries, Greenland develops and manufactures traditional transmission products for material handling machineries in the People's Republic of China (PRC), as well as develops electric industrial vehicles, which are expected to be produced in the near future.

Greenland, through its subsidiaries, is:

- a leading developer and manufacturer of transmission products for material handling machineries in China; and

- since December 2020, a developer of electric industrial vehicles, with our first model of electric industrial vehicle expected to be available in the third or fourth quarter of 2021.

Greenland's transmission products are key components for forklift trucks, used in manufacturing and logistic applications such as factories, workshops, warehouses, fulfilment centers, shipyards, and seaports. Forklifts play an important role in logistics for many enterprises across different industries in the PRC and around the globe. Generally, industries with the largest demand for forklifts are transportation, warehousing logistics, electrical machinery, and automobile.

Greenland has experienced increased demand for forklifts in the manufacturing industry in the PRC, as its revenue increased from approximately $9.87 million for the three months ended March 31, 2020 to approximately $24.61 million for the three months ended March 31, 2021. Since late March 2020, the Company's business operations have gradually recovered from the negative impacts due to the lockdown as a result of the COVID-19 pandemic, and part of the Company's backlogged orders were processed during the three months ended March 31, 2021, which contributed to an increase in its revenues for the three months ended March 31, 2021.

Greenland's transmission products are adopted by forklift trucks with weighted capacity ranging from 1 ton to 15 tons. These forklift trucks use either mechanical or automatic shift. Greenland sells its transmission products directly to forklift truck manufacturers. For the three months ended March 31, 2021 and 2020, Greenland sold 36,986 and 17,075 sets of transmission products, respectively, to more than 100 forklift manufacturers in aggregate in PRC.

In December 2020, Greenland launched a new division to focus on the electric industrial vehicle market, a market that Greenland intends to develop to diversify its product offerings. With this new division, Greenland plans to develop and deploy the next generation of industrial vehicles. Greenland plans to establish a new facility on the east coast of the U.S. and start producing electric industrial vehicles between the third and fourth quarter of 2021.

Impact of COVID-19 Pandemic on Our Operations and Financial Performance

The COVID-19 pandemic has severely affected China and the rest of the world. In an effort to contain the spread of the COVID-19 pandemic, China and many other countries have taken precautionary measures, such as imposing travel restrictions, quarantining individuals infected with or suspected of being infected with COVID-19, encouraging or requiring people to work remotely, and canceling public activities, among others. These ongoing measures adversely affected our operations and financial performance in 2020.

Specifically, the COVID-19 pandemic adversely affected our revenue in the first half of 2020. For example, from February 3, 2020 to the end of February 2020, the Company closed all of its operating offices in Zhejiang Province, including manufactory, in response to the emergency measures imposed by local government. The pandemic also significantly limited suppliers' ability to provide low-cost, high-quality merchandise to the Company on a timely basis.

Since late March 2020, the Company's business operations have gradually recovered from the negative impacts due to the lockdown, and the Company's backlogged orders were mostly processed during the rest of fiscal year 2020 and also the first quarter of fiscal year 2021which contributed to an increase in its revenues for the year ended December 31, 2020 and for the three months ended March 31, 2021.

Starting from the fourth quarter of 2020, a few waves of COVID-19 infection emerged in various regions of China, and varying levels of restrictions have been reinstated. The extent to which the COVID-19 pandemic may affect our operations and financial performance in the future will depend on future developments, which are highly uncertain and cannot be predicted.

Results of Operations

For the three months ended March 31, 2021 and 2020

Overview

	For the three months ended March 31			
	2021	**2020**	**Change**	**Variance**
Revenues	$ 24,610,894	$ 9,872,067	$ 14,738,827	149.3%
Cost of Goods Sold	19,506,507	7,948,119	11,558,388	145.4%
Gross Profit	**5,104,387**	**1,923,948**	**3,180,439**	165.3%
Selling expenses	379,230	216,841	162,389	74.9%
General and administrative expenses	911,139	1,074,409	(163,270)	(15.2)%
Research and development expenses	959,545	564,298	395,247	70.0%
Total Operating Expenses	**2,249,914**	**1,855,548**	**394,366**	21.3%
Income from operations	**2,854,473**	**68,400**	**2,786,073**	4,073.2)%
Interest income	4,595	33,310	(28,715)	(86.2)%
Interest expenses	(180,189)	(321,692)	(141,503)	(44.0)%
Other income	287,190	597,252	(310,062)	(51.9)%
Income before income tax	**2,965,855**	**377,270**	**2,588,585**	686.1%
Income tax	522,616	49,187	473,429	962.5%
Net income	**2,443,239**	**328,083**	**2,115,156**	644.7%

Components of Results of Operations

Component of Results of Operations	For the three months ended March 31 2021	2020
Revenues	$ 24,610,894	$ 9,872,067
Cost of Goods Sold	19,506,507	7,948,119
Gross Profit	**5,104,387**	**1,923,948**
Operating Expenses	2,249,914	1,855,548
Net Income	**2,443,239**	**328,083**

Revenue

Greenland's revenue was approximately $24.61 million for the three months ended March 31, 2021, representing an increase of approximately $14.74 million, or 149.3%, as compared to that of approximately $9.87 million for the three months ended March 31, 2020. Since late March 2020, the Company's business operations have gradually recovered from the negative impacts due to the lockdown, and part of the Company's backlogged orders were processed during the three months ended March 31, 2021, which contributed to an increase in its revenues for the three months ended March 31, 2021. On an RMB basis, revenue for the three months ended March 31, 2021 increased by approximately 130.4%, as compared to that for the three months ended March 31, 2020.

Cost of Goods Sold

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 ("NRV") impairment test is also recorded in cost of goods sold. The total cost of goods sold was approximately $19.51 million for the three months ended March 31, 2021, representing an increase by approximately $11.56 million, or 145.4%, as compared to that of approximately $7.95 million for the three months ended March 31, 2020. Cost of goods sold increased due to our increase in sales volume.

Gross Profit

Greenland's gross profit was approximately $5.10 million for the three months ended March 31, 2021, representing an increase by approximately $3.18 million, or 165.3%, as compared to that of approximately $1.92 million for the three months ended March 31, 2020. For the three months ended March 31, 2021 and 2020, Greenland's gross margins were approximately 20.7% and 19.5%, respectively. The increase in gross profit was mainly due to a decrease in procurement costs.

Operating Expense

Greenland's operating expenses consist of selling expenses, general and administrative expenses and research and development expenses.

Selling Expense

Selling expenses mainly comprise of operating expenses such as sales staff payroll, traveling expenses, and transportation expenses. Our selling expenses were approximately $0.38 million for the three months ended March 31, 2021, representing an increase of approximately $0.16 million, or 74.9%, as compared to approximately $0.22 million for the three months ended March 31, 2020. The increase of selling expense was primarily due to the increase in sales.

General and Administrative Expenses

General and administrative expenses comprise of management and staff salaries, employee benefits, depreciation for office facility and office furniture and equipment, travel and entertainment expenses, legal and accounting fees, financial consulting fees, and other office expenses. General and administrative expenses were approximately $0.91 million for the three months ended March 31, 2021, representing a decrease by approximately $0.16 million, or 15.2%, as compared to that of approximately $1.07 million for the three months ended March 31, 2020. The decrease in general and administrative expenses was primarily attributable to the decrease in administrative expenditure incurred.

Research and Development (R&D) Expenses

R&D expenses consist of R&D personnel compensation, costs of materials used in R&D projects, and depreciation costs for research-related equipment. R&D expenses were approximately $0.96 million for the three months ended March 31, 2021, representing an increase by approximately $0.40 million, or 70.0%, as compared to that of approximately $0.56 million for the three months ended March 31, 2020. Such increase was primarily attributable to a significant increase in the Company's R&D activities during the three months ended March 31, 2021.

Income from Operations

Income from operations for the three months ended March 31, 2021 was approximately $2.85 million, representing an increase of approximately $2.78 million, as compared to that of approximately $0.07 million for the three months ended March 31, 2020.

Interest Income and Interest Expenses

Greenland's interest income was approximately $0 million for the three months ended March 31, 2021, representing a decrease of approximately $0.03 million, or 86.2%, as compared to that of approximately $0.03 million for the three months ended March 31, 2020. The decrease in interest income was primarily due to the reason that less cash was deposited in banks during the three months ended March 31, 2021.

Greenland's interest expenses were approximately $0.18 million for the three months ended March 31, 2021, representing a decrease of approximately $0.14 million, or 44.0%, as compared to that of approximately $0.32 million for the three months ended March 31, 2020. The decrease was primarily due to a reduction of our short-term loans for the three months ended March 31, 2021, compared to those for the three months ended March 31, 2020.

Other Income

Greenland's other income was approximately $0.29 million for the three months ended March 31, 2021, a decrease of approximately $0.31 million, or 51.9%, as compared to approximately $0.60 million for the three months ended March 31, 2020. The decrease was primarily due to the exchange gain decrease for the three months ended March 31, 2021, compared to those for the three months ended March 31, 2020.

Income Taxes

Greenland's income tax was approximately $0.52 million for the three months ended March 31, 2021, as compared to that of approximately $0.05 million for the three months ended March 31, 2020.

PRC operating subsidiary, Zhejiang Zhongchai, obtained a "high-tech enterprise" status near the end of the fiscal year of 2019. Such status enables Zhejiang Zhongchai to enjoy a reduced statutory income tax rate of 15%, rather than the common PRC corporate tax rate of 25%. The "high-tech enterprise" status is reevaluated by relevant Chinese government agencies every three years. Zhejiang Zhongchai's current "high-tech enterprise" will be reevaluated near the end of 2022.

Greenland's other PRC subsidiaries are subject to different income tax rates. Shengte, the wholly owned subsidiary of Zhejiang Zhongchai, is subject to a 10% income tax rate for small and micro size businesses. Hengyu, the 62.5% owned subsidiary of Zhongchai Holding, is subject to the 25% standard income tax rate. Hangzhou Greenland, the wholly owned subsidiary of Zhongchai Holding, is subject to the 25% standard income tax rate.

Greenland is a holding Company registered in the British Virgin Islands and is not subject to tax on income or capital gains under the current British Virgin Islands law. In addition, upon payments of dividend to its shareholders, the Company will not be subject to any British Virgin Islands withholding tax.

On January 14, 2020, Greenland established its wholly owned subsidiary in the state of Delaware named Greenland Technologies Corporation ("Greenland Tech"). We aim to use it as our U.S. operation site for the assembly, marketing and sales of electric industrial vehicles for the North American market. Greenland Tech currently does not conduct any business activities. On December 22, 2017, the U.S. federal government enacted the 2017 Tax Act. The 2017 Tax Act includes a number of changes in existing tax law impacting businesses, including the transition tax, a one-time deemed repatriation of cumulative undistributed foreign earnings and a permanent reduction in the U.S. federal statutory rate from 35% to 21%, effective on January 1, 2018. ASC 740 requires companies to recognize the effect of tax law changes in the period of enactment, accordingly, the effects must be recognized on companies' calendar year-end financial statements, even though the effective date for most provisions is January 1, 2018. Since Greenland Tech was established in year 2020, the one-time transition tax did not have any impact on the Company's tax provision and there was no undistributed accumulated earnings and profits as of March 31, 2021.

Net Income

Our net income was approximately $2.44 million for the three months ended March 31, 2021, representing an increase of approximately $2.11 million, as compared to that of approximately $0.33 million for the three months ended March 31, 2020.

Liquidity and Capital Resources

Greenland is a holding Company incorporated in the British Virgin Islands. Current PRC regulations permit our PRC subsidiaries to pay dividends to us only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, our PRC subsidiaries are required to set aside at least 10% of their respective accumulated profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of their respective registered capital. Our PRC subsidiaries may also allocate a portion of their after-tax profits based on PRC accounting standards to employee welfare and bonus funds at their discretion. These reserves are not distributable as cash dividends.

We have funded working capital and other capital requirements primarily by equity contributions, cash flow from operations, short-term bank loans and bank acceptance notes, and long-term bank loans. Cash is primarily used to purchase raw materials, repay debts and pay salaries, office expenses, income taxes, and other operating expenses.

For the three months ended March 31, 2021, our PRC subsidiary, Zhejiang Zhongchai, has paid off approximately $1.54 million in bank loan, approximately $1.08 million in related parties loan, approximately $0.31 million in third parties loan, and maintained $10.00 million cash on hand. We plan to maintain the current debt structure and rely on governmentally supported loans with lower costs, if necessary.

The government subsidy mainly consists of an incentive granted by the Chinese government to encourage transformation of fixed assets in China and other miscellaneous subsidy from the Chinese government. Government subsidies are recognized when there is reasonable assurance that the subsidy will be received and all conditions be completed. Total government subsidies recorded under long-term liabilities were $2.27 million and $2.34 million on March 31, 2021 and December 31, 2020, respectively.

The Company currently plans to fund its operations mainly through cash flow from its operations, renewal of bank borrowings, additional equity financing, and continuation of financial support from its shareholders and affiliates controlled by its principal shareholders, if necessary. The Company might implement a stricter policy on sales to less creditworthy customers and plans to continue to improve its collection efforts on accounts with outstanding balances. The Company is actively working with customers and suppliers and expects to fully collect the remaining balance.

We believe that the Company has sufficient cash, even with uncertainty in the Company’s manufacturing and sale of electric industrial vehicles in the future and an increase demand on transmission products. We expect that our capital contribution from existing funding sources will be sufficient for us to operate for the next 12 months. We remain confident and are expected to generate positive cash flow from our operations.

We may need additional cash resources in the future, if the Company experiences failure in collecting account receivables, changes in business condition, changes in financial condition, or other developments. We may also need additional cash resources, if the Company wishes to pursue opportunities for investment, acquisition, strategic cooperation, or other similar actions. If the Company’s management and its Board determine that the cash required for specific corporate activities exceed Greenland’s cash and cash equivalents on hand, the Company may issue debt or equity securities to raise cash.

Historically, we have expended considerable resources on building a new factory and paid off a considerable amount of debt, resulting in less available cash. However, we anticipate that our cash flow will continue to improve for the fiscal year 2021. We have completed Zhejiang Zhongchai's new factory construction and the PRC government has provided subsidies to ease the local business-related financing conditions caused by the COVID-19 outbreak. Furthermore, we pledged the deed of our new factory as a collateral to banks to obtain additional loans, refinance expiring loans, restructure short-term loans, and fund other working capital needs upon acceptable terms to Greenland.

Cash and Cash Equivalents

Cash equivalents refers to all highly liquid investments purchased with original maturity of three months or less. As of March 31, 2021, Greenland had approximately $8.09 million of cash and cash equivalents, representing an increase of approximately $0.93 million, or 13.04%, as compared to that of approximately $7.16 million as of December 31, 2020. The increase of cash was mainly attributable to the increase of accounts payable, as compared to that as of December 31, 2020.

Restricted Cash

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 March 31, 2021, Greenland had approximately $2.06 million of restricted cash, representing a decrease of approximately $0.19 million, or 8.28%, as compared to that of approximately $2.24 million as of December 31, 2020. The decrease of restricted cash was due to the increase of mortgaged assets.

Accounts Receivable

As of March 31, 2021, Greenland had approximately $21.07 million of accounts receivables, representing an increase of approximately $8.66 million, or 69.8%, as compared to those of approximately $12.41 million for the same period in 2020. The increase in accounts receivable was due to our slowed-down effort in receivables collections due to the COVID-19 outbreak.

Greenland recorded approximately $0.98 million of provision for doubtful accounts as of March 31, 2021. Greenland conducted an aging analysis of each customer's delinquent payments to determine whether allowance for doubtful accounts is adequate. In establishing the allowance for doubtful accounts, Greenland considers historical experience, economic environment, and expected collectability of past due receivables. An estimate of doubtful accounts is recorded when collection of the full amount is no longer probable. When bad debts are identified, such debts are written off against the allowance for doubtful accounts. Greenland will continuously assess its potential losses based on the credit history of and relationships with its customers on a regular basis to determine whether its bad debt allowance on its accounts receivables is adequate. Greenland believes that its collection policies are generally in line with the transmissions industry's standard in PRC.

Due from Related Party

Due from related party was $38.38 million and $38.54 million for the three months ended March 31, 2021 and December 31, 2020, respectively. The current portion of due from related party was $38.38 million as of March 31, 2021, and the current portion of due from related party was $38.54 million as of December 31, 2020. We expect the amount due from our controlling shareholder, Cenntro Holding Limited, to be paid back on April 27, 2022, as mutually agreed by the Company and Cenntro Holding Limited, for an extension of repayment from the end of October 2020 in accordance with the original maturity date.

However, there is no guarantee that such amount will be repaid in whole or in part before the end of April 2022, if at all. Such failure to pay back by Cenntro Holding Limited could have a material negative impact on our balance sheet.

Notes Receivable

As of March 31, 2021, Greenland had approximately $32.58 million of notes receivables, which will be collected by us within six months. The increase of our notes receivables was approximately $1.78 million, or 5.76%, from that of approximately $30.80 million as of December 31, 2020.

Working Capital

Our working capital was approximately $33.25 million as of March 31, 2021, as compared to that of $28.84 million as of December 31, 2020, representing a decrease of $4.41 million during the three months ended March 31, 2021

Cash Flow

	For the Three Months Ended March 31,	
	2021	**2020**
Net cash provided by operating activities	**$ (3,998,147)**	**$ 4,040,995**
Net cash provided by (used in) investing activities	**$ (65,028)**	**$ (141,861)**
Net cash provided by (used in) financing activities	**$ 4,871,033**	**$ (678,495)**
Net increase in cash and cash equivalents and restricted cash	**$ 807,858**	**$ 3,220,639**
Effect of exchange rate changes on cash and cash equivalents	$ (59,934)	$ (642,434)
Cash and cash equivalents and restricted cash at beginning of year	$ 9,403,053	$ 5,717,207
Cash and cash equivalents and restricted cash at end of year	**$ 10,150,977**	**$ 8,295,412**

Operating Activities

Greenland's net cash provided by operating activities were approximately $(4.00) million and $4.04 million for the three months ended March 31, 2021 and 2020, respectively.

For the three months ended March 31, 2021, the main sources of cash inflow from operating activities were net income, change in accounts payable, and other current and noncurrent assets, with each amounted to approximately $2.44 million, $6.67 million and $0.62 million. respectively. The main causes of cash outflow were changes in inventories and accounts receivables, representing increases of approximately $2.66 million and $8.78 million, respectively.

For the three months ended March 31, 2020, the main sources of cash inflow from operating activities were net income, change in accounts payable, and notes receivable, with each amounted to approximately $0.33 million, $3.51 million and $1.92 million, respectively. The main causes of cash outflow were changes in inventories and accounts receivables, representing increases of approximately $2.29 million and $0.67 million, respectively.

Investing Activities

Net cash used in investing activities resulted a cash outflow of approximately $0.07 million for the three months ended March 31, 2021. Cash used in investing activities for the three months ended March 31, 2021 was mainly due to $0.08 million proceeds from government grants for construction, offset by approximately $ 0.15 million used for purchases of long-term assets.

Net cash used in investing activities resulted a cash outflow of approximately $0.14 million for the three months ended March 31, 2020. Cash used in investing activities for the three months ended March 31, 2020 was mainly due to $0.24 million proceeds from government grants for construction, offset by approximately $ 0.38 million used for purchases of long-term assets.

Financing Activities

Net cash used in financing activities resulted a cash inflow of approximately $4.87 million for the three months ended March 31, 2021, which was mainly attributable to approximately $0.77 million proceeds from short-term bank loans and approximately $4.80 million proceeds from notes payable. Such amounts were further offset by repayment of short-term bank loans for approximately $1.54 million, and repayment of loans from related parties for approximately $1.08 million.

Net cash used in financing activities resulted a cash outflow of approximately $0.68 million for the three months ended March 31, 2020, which was mainly attributable to approximately $3.27 million proceeds from short-term bank loans and approximately $1.50 million proceeds from third parties. Such amounts were further offset by repayment of loans lent by third parties for approximately $2.84 million, and repayment of notes payable for approximately $2.19 million.

Credit Risk

Credit risk is one of the most significant risks for Greenland’s business. Accounts receivable are typically unsecured and derived from revenues earned from customers, thereby exposing Greenland to credit risk. Credit risk is controlled by the application of credit approvals, limits, and monitoring procedures. Greenland identifies credit risk collectively based on industry, geography, and customer type. This information is monitored regularly by the Company’s management. In measuring the credit risk of sales to customers, Greenland mainly reflects the “probability of default” by the customer on its contractual obligations and considers the current financial position of the customer and the exposures to the customer and its future development.

Liquidity Risk

Greenland is exposed to liquidity risk when it is unable to provide sufficient capital resources and liquidity to meet its commitments and/or business needs. Liquidity risk is managed by the application of financial position analysis to test if Greenland is in danger of liquidity issues and also by application of monitoring procedures to constantly monitor its conditions and movements. When necessary, Greenland resorts to other financial institutions to obtain additional short-term funding to meet the liquidity shortage.

Inflation Risk

Greenland is also exposed to inflation risk. Inflationary factors, such as increases in raw material and overhead costs, could impair Greenland’s operating results. Although Greenland does not believe that inflation has had a material impact on its financial position or results of operations to date, a high rate of inflation in the future may have an adverse effect on its ability to maintain current levels of gross margin and operating expenses as a percentage of sales revenues if the selling prices of its products do not increase with such increased costs.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP. In applying accounting principles, it is often required to use estimates. These estimates consider the facts, circumstances and information available, and may be based on subjective inputs, assumptions and information known and unknown to us. Material changes in certain of the estimates that we use could potentially affect, by a material amount, our consolidated financial position and results of operations. Although results may vary, we believe our estimates are reasonable and appropriate. See Note 2 to our consolidated financial statements included in “Item 8 - Financial Statements and Supplementary Data” for a summary of our significant accounting policies. The following describes certain of our significant accounting policies that involve more subjective and complex judgments where the effect on our consolidated financial position and operating performance could be material.

Revenue Recognition

In accordance with ASC Topic 606, "Revenue from Contracts with Customers", the Company recognizes revenues when goods or services are transferred to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. In determining when and how revenues are recognized from contracts with customers, the Company performs the following five-step analysis: (i) identification of contract with customer; (ii) determination of performance obligations; (iii) measurement of the transaction price; (iv) allocation of the transaction price to the performance obligations, and (v) recognition of revenues when (or as) the Company satisfies each performance obligation. The Company derives revenues from the processing, distribution and sale of its products. The Company recognizes its revenues net of value-added taxes ("VAT"). The Company is subject to VAT which had been levied at the rate of 17% on the invoiced value of sales until April 30, 2018, after which date the rate was reduced to 16%. VAT rate was further reduced to 13% starting from April 1, 2019. Output VAT is borne by customers in addition to the invoiced value of sales and input VAT is borne by the Company in addition to the invoiced value of purchases to the extent not refunded for export sales.

Revenues are recognized at a point in time once the Company has determined that the customer has obtained control over the product. Control is typically deemed to have been transferred to the customer when the performance obligation is fulfilled, usually at the time of customers' acceptance or consumption, at the net sales price (transaction price) and each of the criteria under ASC 606 have been met. Contract terms may require the Company to deliver the finished goods to the customers' location or the customer may pick up the finished goods at the Company's factory. International sales are recognized when shipment clears customs and leaves the port.

The Company has adopted ASC 606 on January 1, 2018, using the transition method of Modified-Retrospective Method ("MRM"). The adoption of ASC 606 had no impact on the Company's beginning balance of retained earnings.

The Company's contracts are all short-term in nature with a contract term of one year or less. Receivables are recorded when the Company has an unconditional right to consideration.

Business Combination

On October 24, 2019, we consummated our business combination with Zhongchai Holding (the "Business Combination") following a special meeting of the shareholders where the shareholders of Greenland considered and approved, among other matters, a proposal to adopt an share exchange agreement (the "Share Exchange Agreement"), dated as of July 12, 2019 by and among (i) Greenland, (ii) Zhongchai Holding, (iii) the Sponsor in the capacity as the purchaser representative (the "Purchaser Representative"), and (iv) Cenntro Holding Limited, the sole member of Zhongchai Holding (the "Zhongchai Equity Holder" or the "Seller").

Pursuant to the Share Exchange Agreement, Greenland acquired from the Seller all of the issued and outstanding equity interests of Zhongchai Holding in exchange for the issuance of 7,500,000 ordinary shares, no par value of Greenland, to the Seller (the "Exchange Shares"). As a result, the Seller became the controlling shareholder of Greenland, and Zhongchai Holding became a directly and wholly owned subsidiary of Greenland. The Business Combination was accounted for as a reverse merger effected by a share exchange, wherein Zhongchai Holding is considered the acquirer for accounting and financial reporting purposes.

Pursuant to certain Finder Agreement with Hanyi Zhou, dated May 29, 2019, 50,000 newly issued ordinary shares were issued to Zhou Hanyi as the finder fee for the business combination.

Inventories

Inventories are stated at the lower of cost or net realizable value, which is based on estimated selling prices less any further costs expected to be incurred for completion and disposal. Cost of raw materials is calculated using the weighted average method and is based on purchase cost. Work-in-progress and finished goods costs are determined using the weighted average method and comprise direct materials, direct labor and an appropriate proportion of overhead.

Income Taxes

The Company accounts for income taxes following the liability method pursuant to FASB ASC 740 “Income Taxes”. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the period in which the differences are expected to reverse. The Company records a valuation allowance to offset deferred tax assets if, based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rate is recognized in income in the period that includes the enactment date.

The Company also follows FASB ASC 740, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. ASC 740 also provides guidance on recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. As of March 31, 2021, the Company did not have any liability for unrecognized tax benefits. It is the Company’s policy to include penalties and interest expense related to income taxes as a component of other expense and interest expense, respectively, as necessary. The Company’s historical tax years will remain open for examination by the local authorities until the statute of limitations has passed.

Emerging growth Company

Pursuant to the JOBS Act, an emerging growth Company is provided the option to adopt new or revised accounting standards that may be issued by FASB or the SEC either (i) within the same periods as those otherwise applicable to non-emerging growth companies or (ii) within the same time periods as private companies. We intend to continue to take advantage of the exemption for complying with new or revised accounting standards within the same time periods as private companies. Accordingly, the information contained herein may be different than the information you receive from other public companies. We also intend to continue to take advantage of some of the reduced regulatory and reporting requirements of emerging growth companies pursuant to the JOBS Act so long as we qualify as an emerging growth Company, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation, and exemptions from the requirements of holding non-binding advisory votes on executive compensation and golden parachute payments.

Off Balance Sheet Arrangements

None.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is not required to provide the information required by this Item as it is a smaller reporting company.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Evaluation of Disclosure Controls and Procedures

As of March 31, 2021, we carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended. Based upon such evaluation, our chief executive officer and chief financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were ineffective. Such conclusion is based on the presence of the following material weakness in internal control over financial reporting for the three months ended March 31, 2021:

Accounting and Financial Reporting Personnel Material Weakness - As noted in Item 9A of our annual reports on Form 10-K for the preceding fiscal year, management concluded that in light of the inexperience of our accounting staff with respect to the requirements of US GAAP-based reporting and SEC rules and regulations, we did not maintain effective controls and did not implement adequate and proper supervisory review to ensure that significant internal control deficiencies can be detected or prevented.

As a result, the Company has developed a remedial plan to strengthen its accounting and financial reporting functions. To strengthen the Company’s internal control over financial reporting, the Company is currently implementing the following remedial actions:

- Developing and formalizing of key accounting and financial reporting policies and procedures;
- Recruiting more financial reporting and accounting personnel who have adequate U.S. GAAP knowledge;
- Training key position staff by U.S. accountant with U.S. corporate accounting experiences, and gaining additional knowledge and professional skills about SEC regulations and U.S. GAAP;
- Planning to acquire additional resources to strengthen the financial reporting function and set up a financial and system control framework; and
- Establishing effective oversight and clarifying reporting requirements for non-recurring and complex transactions to ensure consolidated financial statements and related disclosures are accurate, complete and in compliance with U.S. GAAP and SEC reporting requirements.

Inherent limitation on the effectiveness of internal control

The effectiveness of any system of internal control over financial reporting, including ours, is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, including ours, no matter how well designed and operated, can only provide reasonable, not absolute assurances. In addition, 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 or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business, but cannot assure you that such improvements will be sufficient to provide us with effective internal control over financial reporting.

Notwithstanding the material weakness in our internal control over financial reporting, the consolidated unaudited financial statements included in this Quarter Report on Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States of America.

Changes in Internal Control Over Financial Reporting

During the most recently completed fiscal quarter, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Management is not aware of any legal proceedings contemplated by any governmental authority or any other party involving us or our properties. As of the date of this Quarterly Report, no director, officer or affiliate is (i) a party adverse to us in any legal proceeding, or (ii) has an adverse interest to us in any legal proceedings. Management is not aware of any other legal proceedings pending or that have been threatened against us or our properties.

ITEM 1A. RISK FACTORS.

Not applicable to a smaller reporting company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

There were no unregistered sales of the Company’s equity securities during the three months ended March 31, 2021 that were not previously disclosed in reports filed with the SEC.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

No senior securities were issued and outstanding during the three-month period ended March 31, 2021.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

On April 16, 2021, the Company granted 2,700 restricted ordinary shares to Xiaqing Yang, our Head of Administration, under the Company’s 2020 Equity Incentive Plan.

On April 19, 2021, the Company granted 2,500 restricted ordinary shares to Bo Shen, Ming Zhao, Everett Xiaolin Wang, Charles Athle Nelson and Peter Zuguang Wang, respectively. The aforementioned individuals are our directors.

On April 1, 2021, Greenland Tech entered into a Lease Agreement (the “Lease Agreement”) with SFA 50 Millstone Road, LLC (the “Landlord”), an unrelated third party, for office space (“Leased Premises”) located at 50 Millstone Road, Building 400 Suite 130, East Windsor, NJ 08512 (the “Property”). The Company moved its principal executive office to the Leased Premises on May 3, 2021. Concurrently, the Company’s telephone number has been updated to 1 (888) 827-4832.

The initial term of the Lease Agreement commences upon the Landlord’s delivery of the Leased Premises to the tenant in broom clean condition (the “Commencement Date”). The initial term of the Lease Agreement will expire on the last day of the month in which the 12th month anniversary of the Commencement Date occurs, as same may be extended pursuant to the Lease Agreement, or such earlier date on which the term shall sooner end under any of the terms, covenants, or conditions of the Lease Agreement or by law. Subject to certain terms and conditions, Greenland Tech will have the right to extend the term of the Lease Agreement for additional 1 year twice.

Under the Lease Agreement, Greenland Tech will lease approximately 1,440 square feet at the Property. During the initial term, Greenland Tech will pay a fixed rent of $2,820 per month. In addition, Greenland Tech will pay tenant electric at a rate of $1.75 PSF per annum ($210 per month) as additional rent.

The Lease is furnished as Exhibit 10.2 to this quarterly report on Form 10-Q and is incorporated herein by reference. The foregoing description of the Lease Agreement does not purport to be complete and is qualified in its entirety by reference to the Lease Agreement.

ITEM 6. EXHIBITS

(a) Exhibits

Exhibit	Exhibit Description
3.1(2)	Memorandum and Articles of Association.
3.2(2)	Amended and Restated Articles of Association.
3.3(1)	Second Amended and Restated Articles of Association.
3.4(3)	Amended and Restated Memorandum and Articles of Association, effective on October 24, 2019.
10.1(4)	2020 Equity Incentive Plan
10.2*	Lease Agreement dated April 1, 2021 by and between SFA 50 Millstone Road, LLC and Greenland Tech
31.1*	Certification pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and included within the Exhibit 101).

(1) Incorporated by reference to the Company's Form 8-K, filed with the Commission on July 30, 2018.

(2) Incorporated by reference to the Company's Form S-1/A, filed with the Commission on July 16, 2018.

(3) Incorporated by reference to the Company's Form 8-K, filed with the Commission on October 30, 2019.

(4) Incorporated by reference to the Company's Definitive Proxy Statement on Schedule 14A, filed with the Commission on December 1, 2020.

* Filed herewith.

** In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibits 32.1 and 32.2 herewith are deemed to accompany this Form 10-Q and will not be deemed filed for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act or the Exchange Act.

SIGNATURES

Pursuant to the requirements 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.

	Greenland Technologies Holding Corp.
Date: May 12th, 2021	/s/ Raymond Z. Wang
	Raymond Z. Wang Chief Executive Officer and President

Exhibit 10.2

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") dated as of April 1, 2021, between SFA 50 Millstone Road, LLC, a New Jersey limited liability company, with offices at 312 Route 38 West, Suite 100, Moorestown, NJ 08057 ("Landlord"), and Greenland Technologies Corporation, with its principal office at Sunking Plaza Gaojiao Road, Building No.12, 11th floor, Hangzhou 311122 China ("Tenant").

In consideration of the rents, covenants, and agreements hereinafter set forth, the sufficiency of which is hereby acknowledged and agreed, Landlord and Tenant covenant, warrant, and agree as follows:

1. Definitions. For purposes of this Lease, the following terms shall have the following meanings:

"**Alterations**" shall have the meaning set forth in Section 8(a) hereof.

"**Additional Rent**" shall mean all amounts payable by Tenant under this Lease, other than the payment of Fixed Rent, including those items set forth in Section 4 and Section 151 hereof.

"**Broker**" shall mean N/A.

"Base Year" shall be 2021 calendar year.

"Building" shall mean the building known as Building 400 having the street address of 50 Millstone Road, East Windsor, New Jersey.

"**Building Systems**" shall mean the HVAC Systems and the other mechanical, electrical, plumbing and life safety systems of the Building.

"**Common Areas**" shall mean the roadways, parking areas and landscaped areas on the Property, and the entrances, lobby, access ways, hallways, lavatories and other areas located within the Building or otherwise on the Property that are intended for the common use of all tenants of the Building and their invitees.

"**Default Rate**" shall have the meaning set forth in Section 4(i) hereof.

"**Extension Conditions**" shall mean, as a condition to Tenant exercising each Extension Option: (a) Tenant gives Landlord written notice no less than four (4) months prior to the commencement of the First Extension Term or Second Extension Term, as applicable, that Tenant is exercising the Extension Option; (b) at the date the applicable Extension Option is exercised, and at the commencement of the First Extension Term or the Second Extension Term, as applicable, no Event of Default has occurred and is continuing; and (c) Tenant has not been more than ten (10) business days late in the payment of any or all Rent more than a total of two(2) times for all periods prior to the commencement of the applicable Extension Term.

“**Extension Option**” shall have the meaning set forth in Section 3(b) hereof.

“**First Extension Term**” shall have the meaning set forth in Section 3(b) hereof.

“**Fixed Rent**” shall mean the payments specified in Section 4.

“**Hazardous Materials**” shall mean any chemical, compound, material, substance, or other matter that: (a) is defined as a hazardous substance, hazardous material or waste, or toxic substance under any Hazardous Materials Law; (b) is regulated, controlled, or governed by any Hazardous Materials Law or other laws; (c) is petroleum or a petroleum product; or (d) is asbestos, formaldehyde, radioactive material, drug, bacteria, virus, or other injurious or potentially injurious material (by itself or in combination with other materials).

“**Hazardous Materials Laws**” shall mean and include any and all present and future federal, state, or local laws, ordinances, rules, decrees, orders, regulations, or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under, or about the Premises, the Building, or the Property, or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Hazardous Materials Transportation Act, the Clean Air Act, the Clean Water Act, the New Jersey Spill Compensation and Control Act, the New Jersey Industrial Site Recovery Act, the New Jersey Site Remediation Reform Act, the New Jersey Brownfield and Contaminated Site Remediation Act, the New Jersey Environmental Rights Act, the New Jersey Air Pollution Control Act, the New Jersey Water Pollution Control Act, and any other law or legal requirement concerning hazardous or toxic substances, and any amendments to the foregoing.

“**HVAC Systems**” shall mean the heating, air conditioning, and ventilating systems of the Building.

“**Landlord’s Address for Notices**” shall mean 312 Route 38 West, Suite 100, Moorestown, NJ 08057.

“**Lease Commencement Date**” shall mean the date the Premises is delivered to Tenant in broom clean condition (May 3rd, 2021).

“**Lease Expiration Date**” shall mean the last day of the month in which the Twelfth (12th) Month anniversary of the Lease Commencement Date occurs, as same may be extended pursuant to Section 3 hereof, or such earlier date on which the Term shall sooner end under any of the terms, covenants, or conditions of this Lease or by law.

“**Permitted Use**” shall mean General Office.

“**Premises**” shall mean approximately One Thousand Four Hundred and Forty (1,440) square feet of rentable area designated as Suite 130 located on the First (1st) floor of the Building, as more particularly shown on Exhibit “A” attached hereto.

“**Property**” shall mean the Building together with the parking lot and all appurtenances thereto on which the Building is located, together with all other improvements which may hereafter be constructed on such parcel of land.

“**Rent**” shall mean Fixed Rent and Additional Rent, collectively.

“**Security Deposit**” shall mean a security deposit in the amount of Two Thousand Eight Hundred and Twenty ($2,820).

“**Second Extension Term**” shall have the meaning set forth in Section 31 hereof.

“**Tenant Owned Property**” shall have the meaning set forth in Section 8(c) hereof.

“**Tenant Parties**” shall have the meaning set forth in Section 6(b) hereof.

“**Tenant’s Address for Notices**” shall mean Greenland Technologies Corporation 50 Millstone Road, Building 400, Suite 130, East Windsor, NJ 08512.

“**Tenant’s Share**” shall be **0.49%,** which is the number, expressed as a percentage, that is derived by dividing the rentable square feet of the Premises (1,440) by the rentable square feet of the Building (291,550), which Tenant’s Share may increase or decrease as the Building or Premises size increases or decreases.

“**Term”** shall mean a term of one (1) year commencing on the Lease Commencement Date and ending on the Lease Expiration Date.

2. Premises.

(a) Landlord hereby leases to Tenant, and Tenant hereby rents from Landlord, the Premises for the Term.

(b) Tenant shall have the non-exclusive right to use the Common Areas of the Building. Except as may be otherwise provided expressly in this Lease, Tenant shall not have the right to use the roof, electrical closets, janitorial closets, mechanical rooms, telephone rooms, or any other non-common or non-public area of the Building and the Property.

3. Term.

(a) The Term shall commence on the Lease Commencement Date and shall expire on the Lease Expiration Date.

(b) Tenant is granted the option (“**Extension Option**”) to extend the initial Term of this Lease for an additional term of one (1) year (“**First Extension Term**”) with a $.25 increase upon all the terms and conditions of this Lease and provided all of the Extension Conditions are met.

(c) Tenant is granted an additional Extension Option to extend the Term of this Lease for an additional term of one (1) year ("**Second Extension Term**") with a $.25 increase upon all the terms and conditions of this Lease and provided all of the Extension Conditions are met.

4. Fixed Rent.

(a) Tenant covenants and agrees to pay Fixed Rent in advance on the first (1st) day of each calendar month during the Term and without notice, demand, abatement, deduction, counterclaim, setoff, defense or otherwise, in lawful money of the United States, to Landlord at Landlord's Address for Notices throughout the Term of this Lease in accordance with the rent schedule on Exhibit "B" which is attached hereto and incorporated herein by reference.

Tenant shall pay Landlord, as Additional Rent, an amount equal to Tenant's Share of expenses in excess of the amount of Expenses for the Base Year, as follows:

(a) Tenant covenants and agrees to pay, as Additional Rent in equal monthly installments payable on the first day of each calendar month throughout the term of this Lease, the sum of **$1.75 per rentable square foot per annum (i.e. $2,520 per annum)** (the "Electricity Amount"), to compensate Landlord for the electrical wiring and other installations necessary for, and for its obtaining and redistribution of, electric current as an additional service. If the cost to Landlord of electricity shall have been, or shall be, increased subsequent to the date of this Lease, by change in Landlord's electric rates, charges, fuel adjustment, or service classifications, or by taxes or charges of any kind imposed thereon, or for any other such reason, then the Electricity Amount shall be increased in the same percentage, but no higher than $2.50 per rentable square foot per annum during the Term of the Lease.

(b) Within one hundred twenty (120) days after the end of each calendar year, Landlord shall endeavor to provide a statement ("Operating Statement") to Tenant showing, in reasonable detail: (i) the amount Expenses for such calendar year, (ii) any payments of Estimated Additional Rent by Tenant during such calendar year, and (iii) any revision of the amount of Estimated Additional Rent for the then current calendar year. The failure of Landlord to timely submit an Operating Statement for any year shall not be a waiver of Landlord's right to collect any Rent described under this Lease. If Landlord does not send an Operating Statement within three hundred sixty-five (365) days following the end of a calendar year, then Tenant shall not be liable for any underpayments for the prior calendar year (other than, with respect to Taxes, to the extent that the amount of Taxes is changed by a municipal taxing authority for any prior year, but in no event later than three hundred sixty-five (365) days following the expiration of the Term).

(c) If an Operating Statement shows that Tenant's actual Estimated Additional Rent payments were less than Tenant's actual obligations for Tenant's Share of Expenses for the applicable year, then Tenant shall pay the shortfall within thirty (30) days after Tenant's receipt of the Operating Statement.

(d) If an Operating Statement shows an increase in the amount of Estimated Additional Rent for the current calendar year, Tenant shall: (i) pay the difference between the new and former estimates for the period from the date of the last adjustment of Estimated Additional Rent through the month in which the Operating Statement is dated, which payment shall be made within thirty (30) days after Tenant's receipt of the Operating Statement, and (ii) thereafter pay the new Estimated Additional Rent amount until any subsequent adjustment thereof.

(e) If an Operating Statement shows that Tenant's payments of Estimated Additional Rent exceeded Tenant's actual obligations for Expenses, Landlord shall credit the excess against payment of Estimated Additional Rent next due. If the Term shall have expired and no further Rent shall be due or if the credit exceeds the amount of Estimated Additional Rent due for the remainder of the Term, Landlord shall provide a refund or a credit against unpaid Base Rent of such excess at the time Landlord sends the Operating Statement.

(f) Landlord reserves the right to reasonably change or update the Estimated Additional Rent (based on Landlord's reasonable analysis that the Estimated Additional Rent has changed), from time to time, the manner and timing of the computation of Additional Rent, provided that the timing of Tenant's payments of Additional Rent shall not materially change. In lieu of providing one Operating Statement covering all items of Expenses, Landlord may provide separate statements, at the same or different times.

(g) Concurrently with Tenant's execution of this Lease, Tenant shall pay to Landlord an amount equal to one (1) monthly installment of Fixed Rent payable under this Lease for the first full calendar month of the Lease Term.

(h) If the Lease Commencement Date is a day other than the first day of a month, then the Fixed Rent from the Lease Commencement Date until the first day of the following month shall be pro-rated on a per diem basis at the rate of one-thirtieth (1/30th) of the monthly installment of Fixed Rent payable.

(i) In addition to the Fixed Rent to be paid as herein provided, Tenant shall pay, as Additional Rent, the cost of any late charges and interest charges as set forth in subsection (i) below, any insufficient fund charges for bounced checks, any court costs and attorney's fees for enforcing Tenant's obligations under this Lease, and other costs and expenses as specified in Section 151. Tenant's obligations to make the payments required by this Section 4(d) as Additional Rent shall survive any termination of this Lease by lapse of time or otherwise.

(j) Any Rent payable by Tenant to Landlord under this Lease that is not paid within ten (10) business days after the same is due will be automatically subject to a late payment charge of ten percent (10%) of the delinquent amount, in each instance, to cover Landlord's additional administrative costs. In addition to the late charge set forth above, Tenant shall also be required to pay interest on all such unpaid sums, at a per annum rate equal to the maximum rate permitted by applicable law ("**Default Rate**") on all such outstanding charges of Rent, with said interest charges, as applicable, to be payable on the first (1st) day of each month throughout the Term of this Lease, without further notice or demand therefor by Landlord. Such late charges and interest will be due and payable as set forth herein and will accrue from the date that such Rent (including late charges and interest) sums are payable under the provisions of this Lease until actually paid by Tenant. The right of Landlord to charge a late charge and interest with respect to past due installments of Rent is in addition to Landlord's rights and remedies upon an Event of Default.

5. Preparation for Occupancy. Prior to the Lease Commencement Date, Landlord, at its sole cost and expense, shall prepare the Premises for Tenant's occupancy in accordance with the work letter attached hereto and incorporated herein as Exhibit "C".

6. Use of Premises; Compliance with Laws; Hazardous Materials.

(a) The Premises shall be used only for the Permitted Use and for no other purpose.

(b) Tenant, and Tenant's contractors, agents, servants, employees, attorneys, invitees and licensees (collectively "**Tenant Parties**"), shall comply with the Lease. Landlord may at any time or times hereafter adopt new rules and regulations or modify or eliminate existing rules and regulations.

(c) Tenant, at Tenant's sole cost and expense, shall comply with and shall cause all of Tenant Parties to comply with all applicable laws, statutes, ordinances, rules, orders, codes, directives, requirements, and regulations of federal, state, county, or municipal governmental and quasi-governmental authorities, including, without limitation, the Americans with Disabilities Act of 1990, as amended by the Americans with Disabilities Act Amendments Act of 2008 (and the regulations promulgated thereunder) applicable to the use or occupancy of the Premises. The foregoing obligation of Tenant shall not however permit Tenant to make, without Landlord's prior written approval, any Alterations to the Premises which otherwise would require Landlord's approval under this Lease, and Tenant shall comply with all of the requirements of this Lease in making any such Alterations.

(d) Tenant shall not cause or permit any Hazardous Materials to be generated, used, released, stored, or disposed of in or about the Premises, the Building, or the Property; provided, however, Tenant may use and store reasonable quantities of cleaning and office supplies and other similar materials as may be reasonably necessary for Tenant to conduct normal business operations in the Premises. Tenant shall indemnify and hold Landlord, its employees, and agents, harmless from and against any damage, injury, loss, liability, charge, demand, or claim based on or arising out of the presence or removal of, or failure to remove, Hazardous Materials generated, used, released, stored, or disposed of by Tenant or any Tenant Party in or about the Premises, the Building, or the Property, whether before or after the Lease Commencement Date.

(e) Tenant agrees to comply with all Hazardous Materials Laws, including but not limited to the Industrial Site Recovery Act (N.J.S.A. 13:1k-6 et seq.), as same may be amended (ISRA). Tenant shall not conduct any operations that shall be deemed an "industrial establishment" as defined in ISRA. Tenant also agrees to execute such documents Landlord reasonably deems necessary and to make such applications as Landlord reasonably requires to assure compliance with ISRA. Tenant shall bear all costs and expenses incurred by Landlord associated with any required ISRA compliance resulting from Tenant's use of the Premises, the Property, or the Building including but not limited to state agency fees, engineering fees, clean-up costs, filing fees, and suretyship expenses. As used in this Lease, ISRA compliance shall include a negative declaration or a de mimimis quantity exemption by the appropriate governmental authority. The foregoing undertaking shall survive the termination or sooner expiration of the Lease and surrender of the Premises and shall also survive sale, lease, or assignment of the Premises, the Property, or the Building by Landlord. Tenant shall immediately provide Landlord with copies of all correspondence, reports, notices, orders, findings, declarations, and other materials pertinent to Tenant's compliance and the New Jersey Department of Environmental Protection's requirements under ISRA as they are issued or received by Tenant.

7. Building and Equipment; Maintenance and Repairs. At its expense, Landlord shall keep the Premises, Building, Building Systems, and the Property in good repair and condition. Landlord shall supply the following services and utilities:

(a) Elevator service to the Premises during normal business hours, except on holidays during which the Building is closed.

(b) Heat, ventilating, and air conditioning during normal business hours, except on holidays during which the Building is closed.

(c) Cleaning and janitorial services, including removal of rubbish and furnishing washroom supplies.

(d) Hot and cold, running, potable water reasonably adequate for Tenant's purposes.

(e) Electricity for lighting and operating computers, facsimile machines, scanners, and other business equipment.

(f) Providing, installing, and replacing all necessary light bulbs and tubes.

(g) Illuminating and maintaining the parking area, walks, and driveways.

(h) Removing ice, snow and litter from walks, driveways, and parking areas.

(i) Access to the Premises and the parking area from during normal business hours, except on holidays during which the Building is closed.

8. Alterations.

(a) Tenant shall not make or allow to be made any alterations, additions, or improvements in or to the Premises (collectively, "**Alterations**") without first obtaining Landlord's written consent, which consent shall be granted or denied in Landlord's sole discretion.

(b) Tenant agrees that all such work shall be done at Tenant's sole cost and expense and in a good and workmanlike manner, that the structural integrity of the Building shall not be impaired, and that no liens shall attach to all or any part of the Premises, the Building, or the Property by reason thereof. Tenant shall obtain, at its sole expense, all permits required for such work.

(c) Unless otherwise elected by Landlord as hereinafter provided, all Alterations made by Tenant shall become the property of Landlord and shall be surrendered to Landlord on or before the Lease Expiration Date except as otherwise set forth in this Lease. Notwithstanding the foregoing, movable equipment, trade fixtures, personal property, furniture, or any other items that can be removed without material harm to the Premises will remain Tenant's property (collectively, "**Tenant Owned Property**") and shall not become the property of Landlord but shall be removed by Tenant, at Tenant's sole cost and expense, not later than the Lease Expiration Date. Tenant shall repair at its sole cost and expense all damage caused to the Premises or the Building by the removal of any Alterations that Tenant is required to remove or Tenant Owned Property. Landlord may remove any Tenant Owned Property or Alterations that Tenant is required but fails to remove at the Lease Expiration Date and Tenant shall pay to Landlord the reasonable cost of removal. Tenant's obligations under this Section 8 shall survive the expiration or earlier termination of this Lease.

9. Insurance.

(a) Tenant shall procure at its cost and expense, and keep in effect during the Term, insurance coverage for all risks of physical loss or damage insuring the full replacement value of Alterations and all items of Tenant-Owned Property. Landlord shall not be liable for any damage or damages of any nature whatsoever to persons or property caused by explosion, fire, vandalism, theft or breakage, by falling plaster, by sprinkler, drainage, or plumbing systems, by air conditioning equipment, by the interruption of any public utility or service, by steam, gas, electricity, water, rain, or other substances leaking, issuing, or flowing into any part of the Premises, by natural occurrence, acts of the public enemy, riot, strike, insurrection, war, court order, requisition, or order of governmental body or authority, or by anything done or omitted to be done by any tenant, occupant, or person in the Building, it being agreed that Tenant shall be responsible for obtaining appropriate insurance to protect its interests.

(b) Tenant shall procure at its cost and expense, and maintain throughout the Term, comprehensive commercial general liability insurance applicable to the Premises with a minimum combined single limit of liability of One Million Dollars ($1,000,000.00), statutory worker's compensation insurance, and employer's liability insurance covering all of Tenant's employees. Such liability insurance shall include, without limitation, products and completed operations liability insurance, fire and legal liability insurance, and such other coverage as Landlord may reasonably require from time to time. During the Lease Term at Landlord's request, Tenant shall increase such insurance coverage to a level that is commercially reasonably required by Landlord.

(c) Tenant's insurance shall be issued by companies authorized to do business in the State of New Jersey. Tenant shall have the right to provide insurance coverage pursuant to blanket policies obtained by Tenant if the blanket policies expressly afford the coverage required by this Section 9. All insurance policies required to be carried by Tenant under this Lease (except for worker's compensation insurance) shall: (i) name Landlord, and any other reasonable number of parties designated by Landlord as additional insureds; (ii) as to liability coverage, be written on an "occurrence" basis; (iii) provide that Landlord shall receive fifteen (15) days' notice from the insurer before any cancellation or change in coverage; and (iv) contain a provision that no act or omission of Tenant shall affect or limit the obligation of the insurer to pay the amount of any loss sustained. Each such policy shall contain a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord. Tenant shall deliver reasonably satisfactory evidence of such insurance to Landlord on or before the date Tenant first enters or occupies the Premises, and thereafter at least thirty (30) days before the expiration dates of expiring policies. Notwithstanding the foregoing, if any such insurance expires without having been renewed by Tenant, Landlord shall have the option, in addition to Landlord's other remedies, to procure such insurance for the account of Tenant, immediately and without notice to Tenant, and the cost thereof shall be paid to Landlord. The limits of the insurance required under this Lease shall not limit Tenant's liability.

(d) Landlord, at its cost and expense, has purchased and maintained or will purchase and maintain: (i) a standard policy of "all risk" insurance with customary exclusions covering the Building in the full replacement cost of the Building, together with rent loss insurance and windstorm coverage (on a full replacement cost basis); and (ii) broad form commercial general liability insurance with a minimum combined single limit of liability of at least One Million Dollars ($1,000,000.00) written by companies authorized to do business in the State of New Jersey.

10. Indemnification.

(a) Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all claims, losses, costs, liabilities, damages, and expenses including, without limitation, penalties, fines, and reasonable attorneys' fees, to the extent incurred in connection with or arising from the use or occupancy or manner of use or occupancy of the Premises or any injury or damage caused by Tenant, Tenant Parties, or any person occupying the Premises through Tenant.

(b) Landlord shall indemnify, defend, and hold Tenant harmless from and against any and all claims, losses, costs, liabilities, damages, and expenses including, without limitation, penalties, fines, and reasonable attorneys' fees, to the extent incurred in connection with or arising from: (i) any injury or damage caused by any grossly negligent or willful acts of Landlord; or (ii) a default by Landlord under this Lease.

(c) The terms of this Section 10 shall survive the expiration or termination of this Lease.

11. Damage and Destruction.

(a) If the Premises or any of the Common Areas are destroyed or damaged by fire or other casualty so that Tenant is unable to occupy the Premises for its Permitted Use and, in Landlord's judgment reasonably exercised within thirty (30) days after the destruction or damage, repairs cannot be made within ninety (90) days after the date of the damage or destruction, Landlord may terminate this Lease effective as of the date of the damage or destruction by giving Tenant written notice within thirty (30) days of the date of the damage or destruction.

(b) If Landlord does not terminate this Lease as provided in Section 11(a) above, Landlord shall promptly rebuild, repair, and restore the Premises and the Building to their former condition, provided, however, that if Landlord has not completed such restoration within one hundred eighty (180) days after the date of the damage or destruction, Tenant may, at its option, terminate this Lease upon written notice to Landlord.

(c) If the damage or destruction renders all or part of the Premises uninhabitable or unusable, Fixed Rent shall proportionately abate commencing on the date of the damage or destruction and ending on the date the Premises are delivered to Tenant with Landlord's restoration obligation substantially complete. The extent of the abatement shall be based upon the portion of the Premises rendered uninhabitable or unusable, inaccessible, or unfit for the Permitted Use.

(d) Notwithstanding anything to the contrary in this Lease, Landlord and Tenant mutually waive their respective rights of recovery against each other and each other's officers, directors, constituent partners, agents, and employees, and Tenant waives such rights against each lessor under any ground or underlying lease and each lender under any mortgage or deed of trust or other lien encumbering the Property or any portion thereof or interest therein, to the extent any loss is or would be covered by fire, extended coverage, or other property insurance policies required to be carried under this Lease or otherwise carried by the waiving party, and the rights of the insurance carriers of such policy or policies are to be subrogated to the rights of the insured under the applicable policy. Each party shall cause its insurance policy to be endorsed to evidence compliance with such waiver.

12. Condemnation.

(a) If all of the Premises is condemned or taken in any permanent manner before or during the Term for any public or quasi-public use, or any permanent transfer of the Premises is made in avoidance of an exercise of the power of eminent domain (each of which events shall be referred to as a "**taking**"), this Lease shall automatically terminate as of the date of the vesting of title due to such taking. If a part of the Premises is so taken, this Lease shall automatically terminate as to the portion of the Premises so taken as of the date of the vesting of title as a result of such taking. If such portion of the Property is taken as to render the balance of the Premises unusable by Tenant for the Permitted Use, as reasonably determined by either Landlord or Tenant, this Lease may be terminated by Landlord or Tenant, as of the date of the vesting of title as a result of such taking, by written notice to the other party given within fifteen (15) days following notice to Landlord of the date on which said vesting will occur. If this Lease is not terminated as a result of any taking, Landlord shall restore the Building to an architecturally whole unit; provided, however, that Landlord shall not be obligated to expend on such restoration more than the amount of condemnation proceeds actually received by Landlord.

(b) Landlord shall be entitled to the entire award for any taking, including, without limitation, any award made for the value of the leasehold estate created by this Lease. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award that may be made in any taking, together with any and all rights of Tenant now or hereafter arising in or to such award or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any separate award made to Tenant for its relocation expenses, the taking of personal property and fixtures belonging to Tenant, the unamortized value of improvements made or paid for by Tenant, or the interruption of or damage to Tenant's business.

(c) In the event of a partial taking that does not result in a termination of this Lease as to the entire Premises, Fixed Rent shall be equitably adjusted in relation to the portions of the Premises and Building taken or rendered unusable by such taking.

(d) If all or any portion of the Premises is taken for a limited period of time before or during the Term, this Lease shall remain in full force and effect; provided, however, that Fixed Rent shall abate during such limited period in proportion to the portion of the Premises taken by such taking. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any separate award made to Tenant for its relocation expenses, the taking of personal property and fixtures belonging to Tenant, the unamortized value of improvements made or paid for by Tenant, or the interruption of or damage to Tenant's business. Any temporary taking of all or a portion of the Premises which continues for six (6) months shall be deemed a permanent taking of the Premises or such portion.

13. Assignment and Subletting.

(a) Neither Tenant nor any sublessee or assignee of Tenant, directly or indirectly, voluntarily or by operation of law, shall sell, assign, encumber, mortgage, pledge, or otherwise transfer or hypothecate all or any part of the Premises or Tenant's leasehold estate hereunder (each such act is referred to as an "**Assignment**"), or sublet the Premises or any portion thereof or permit the Premises to be occupied by anyone other than Tenant (each such act is referred to as a "**Sublease**"), without Landlord's prior written consent in each instance, which consent may be withheld or granted in Landlord's sole discretion. Any Assignment or Sublease that is not in compliance with this Section 13 shall be void. The acceptance of rental payments by Landlord from a proposed assignee, sublessee, or occupant of the Premises shall not constitute consent to such Assignment or Sublease by Landlord.

(b) Any request by Tenant for Landlord's consent to a specific Assignment or Sublease shall include: (i) the name of the proposed assignee, sublessee, or occupant; (ii) the nature of the proposed assignee's, sublessee's, or occupant's business to be carried on in the Premises; (iii) a copy of the proposed Assignment or Sublease; and (iv) such financial information (in the event of an Assignment) and such other information as Landlord may reasonably request concerning the proposed assignee, sublessee, or occupant or its business. Landlord shall respond in writing, stating the reasons for any disapproval, within fifteen (15) days after receipt of all information reasonably necessary to evaluate the proposed Assignment or Sublease.

(c) No consent by Landlord to any Assignment or Sublease by Tenant, and no specification in this Lease of a right of Tenant to make any Assignment or Sublease, shall relieve Tenant of any obligation to be performed by Tenant under this Lease, whether arising before or after: (i) the Assignment or Sublease; or (ii) any extension of the Term (pursuant to exercise of an option granted in this Lease). The consent by Landlord to any Assignment or Sublease shall not relieve Tenant or any successor of Tenant from the obligation to obtain Landlord's express written consent to any other Assignment or Sublease. No Assignment or Sublease shall be valid or effective unless the assignee or sublessee or Tenant shall deliver to Landlord a fully executed counterpart of the Assignment or Sublease and an instrument that contains a covenant of assumption by the assignee or agreement of the sublessee, reasonably satisfactory in substance and form to Landlord.

(d) Tenant shall pay to Landlord the reasonable amount of Landlord's cost of processing every proposed Assignment or Sublease, including without limitation reasonable legal review fees and expenses, together with the reasonable amount of all direct and indirect expenses incurred by Landlord arising from any assignee, occupant, or sublessee taking occupancy (including, without limitation, security service, janitorial and cleaning service, and rubbish removal service).

(e) Notwithstanding the foregoing, provided that: (i) no Event of Default has occurred and is continuing; and (ii) no such transaction is undertaken with the intent of circumventing Tenant's liability under this Lease, Tenant may assign this Lease to any affiliate or subsidiary of Tenant or in connection with a merger or other consolidation of Tenant and may sublease all or some portion of the Premises to an affiliate or subsidiary of Tenant without Landlord's consent provided: (w) Tenant shall remain liable hereunder; (x) Tenant provides reasonable prior written notice to Landlord of such Assignment or Sublease; (y) after such transaction is effected, the tangible net worth (excluding goodwill) of the new tenant under this Lease is equal to or greater than the tangible net worth of Tenant as of the date of this Lease; and (z) Landlord shall have received an executed copy of all documentation effecting such transfer on or before its effective date.

14. Tenant's Default. Each of the following events shall be an "Event of Default" hereunder:

(a) Tenant's failure to pay when due any installment of Rent.

(b) Tenant's failure to perform, obey, or observe the rules and regulations and any covenant, condition, agreement, or other obligation of Tenant and such failure continues for a period of three (3) days after Landlord gives Tenant written notice thereof.

(c) The Premises become vacant and abandoned (other than in connection with a casualty under Section 11 or a condemnation under Section 12).

(d) Tenant's disorderly conduct that destroys the peace and quiet of the Landlord or the other tenants or occupants at the Premises or in the neighborhood and such conduct continues for a period of three (3) days after Landlord gives Tenant written notice thereof.

(e) Tenant's willful acts causing destruction, damage, or injury to the Premises.

(f) At Landlord's option, the occurrence of any of the following:

(i) the appointment of a receiver to take possession of all or substantially all of the assets of Tenant or the Premises;

(ii) an assignment by Tenant for the benefit of creditors;

(iii) the filing of any voluntary petition in bankruptcy by Tenant, or the filing of any involuntary petition by Tenant's creditors, which involuntary petition remains undischarged for a period of thirty (30) days;

(iv) the attachment, execution or other judicial seizure of all or substantially all of Tenant's assets or the Premises, if such attachment or other seizure remains undismissed or undischarged for a period of thirty (30) days after the levy thereof;

(v) the admission of Tenant in writing of its inability to pay its debts as they become due;

(vi) the filing by Tenant of any answer admitting or failing timely to contest a material allegation of a petition filed against Tenant in any proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, or dissolution of Tenant or similar relief;

(vii) if within thirty (30) days after the commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation, such proceeding shall not have been dismissed; or

(viii) the occurrence of any of the foregoing with respect to any guarantor of Tenant's obligations under this Lease.

15. Landlord's Remedies. Upon the occurrence of an Event of Default by Tenant that is not cured by Tenant within the applicable grace periods specified in Section 14 above, Landlord shall have all of the following rights and remedies in addition to all other rights and remedies available to Landlord at law or in equity:

(a) The right to terminate the Lease and Tenant's right to possession of the Premises. If Landlord elects to terminate this Lease, everything contained in this Lease on the part of Landlord to be done and performed shall cease without prejudice, however, to the right of Landlord to recover from Tenant: (i) all Rent and other sums accrued up to the time of termination or recovery of possession by Landlord, whichever is later; (ii) all broker commissions; (iii) the cost of all improvements to the Premises incurred by Landlord in connection with the Lease; (iv) all Rent remaining to be paid under this Lease; and (v) any other amount necessary to compensate Landlord for all the damages caused by Tenant's failure to perform its obligations under this Lease which amounts shall be considered Additional Rent (in addition to those costs set out in Section 4(h), Additional Rent shall include, without limitation, reasonable attorneys' and accountants' fees, costs of alterations of the Premises, interest costs, and brokers' fees and any other costs and expenses incurred upon any reletting of the Premises). Landlord shall have all the rights and remedies for the collection of Additional Rent as are available to Landlord for the collection of the Fixed Rent pursuant to the terms of this Lease and as permitted by law.

(b) The right to accelerate and declare immediately due and payable the balance of all Rent and other charges that become due throughout the Term hereof, and Landlord may in its own name, but as agent for Tenant, assign, sublet or relet the Premises for any period equal to or greater or less than the remainder of the Term hereof for any sum which Landlord may deem reasonable to any lessee Landlord may select, and for any use or purpose which Landlord may designate. With or without terminating this Lease, Landlord may re-enter and take possession of the Premises and the provisions of this Section 15 shall operate as a notice to quit, any other notice to quit or of Landlord's intention to re-enter the Premises being hereunder expressly waived. If necessary, Landlord may proceed to recover possession of the Premises under and by virtue of the laws of the State of New Jersey or by such other proceedings, including re-entry and possession, as may be applicable.

(c) The right to continue the Lease in effect after Tenant's breach and recover Rent as it becomes due. Acts of maintenance or preservation, efforts to relet the Premises, or the appointment of a receiver upon Landlord's initiative to protect its interest under this Lease shall not of themselves constitute a termination of Tenant's right to possession.

(d) The right and power to enter the Premises and remove therefrom all persons and property, to store such property in a public warehouse or elsewhere at the cost of and for the account of Tenant, and to sell such property and apply the proceeds therefrom pursuant to applicable law.

(e) The right to have a receiver appointed for Tenant, upon application by Landlord, to take possession of the Premises, to apply any rental collected from the Premises, and to exercise all other rights and remedies granted to Landlord pursuant to this Section.

(f) The right to specific performance of any or all of Tenant’s obligations under this Lease and to damages for delay in or failure of such performance.

(g) Whether or not this Lease is terminated at the option of Landlord by reason of Tenant’s Event of Default, Landlord shall take all reasonable steps to mitigate damages. If the full rental provided herein plus the costs, expenses and damages hereafter described shall not be realized by Landlord, Tenant shall be liable for all damages sustained by Landlord, including, without limitation, deficiency in Fixed Rent and Additional Rent, reasonable attorneys’ fees, brokerage fees, and the expense of placing the Premises in first-class rentable condition. Landlord shall in no way be responsible or liable for any failure to relet the Premises or any part thereof, or any failure to collect any Rent due and/or accrued from such reletting, to the end and intent that Landlord may elect to hold Tenant liable for the Fixed Rent, Additional Rent, and any and all other items of cost and expense which Tenant shall have been obligated to pay throughout the remainder of the Term. Any damages or loss of Rent sustained by Landlord may be immediately recovered by Landlord, at Landlord’s option, at the time of the reletting, or in separate actions, from time to time, as said damages shall have been made more easily ascertainable by successive relettings, or, at Landlord’s option, may be deferred until the expiration of the Term, in which event Tenant hereby agrees that the cause of action shall not be deemed to have accrued until the date of expiration of the Term. The provisions contained in this Section 15(g) shall be in addition to, and shall not prevent the enforcement of, any claim Landlord may have against Tenant for anticipatory breach of this Lease.

(h) All rights and remedies available to Landlord hereunder or at law or in equity are expressly declared to be cumulative. The exercise by Landlord of any such right or remedy shall not prevent the concurrent or subsequent exercise of any such right or remedy. No delay in the enforcement or exercise of any such right or remedy shall constitute a waiver of any default by Tenant hereunder or of any of Landlord’s rights or remedies in connection therewith. Landlord shall not be deemed to have waived any default by Tenant hereunder unless such waiver is set forth in a written instrument signed by Landlord. If Landlord waives in writing any default by Tenant, such waiver shall not be construed as a waiver of any covenant, condition or agreement set forth in this Lease except as to the specific circumstances described in such written waiver. The rights hereunder granted to Landlord shall also be the rights of Tenant in the same manner as hereinabove provided for Landlord.

16. Subordination; Estoppel Certificates.

(a) This Lease shall be subject and subordinate at all times to: (i) all ground leases or underlying leases that may now exist or hereafter be executed affecting the Property or any portion thereof; (ii) the lien of any mortgage or other security instrument that may now exist or hereafter be executed in any amount for which the Property or any portion thereof, any ground leases or underlying leases, or Landlord’s interest or estate therein is specified as security; and (iii) all modifications, renewals, supplements, consolidations, and replacements thereof. The provisions of this Section shall be self-operative and no further instrument shall be required to effect the provisions of this Section.

(b) If any ground lease or underlying lease terminates for any reason or any mortgage, deed of trust, or other security instrument is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant, notwithstanding any subordination, shall attorn to and become the tenant of the successor in interest to Landlord at the option of such successor in interest. If any mortgage, deed of trust, or other security agreement is foreclosed, or Landlord's interest under this Lease is conveyed or transferred in lieu of foreclosure, neither the mortgagee, beneficiary, nor any person or entity acquiring title to the Property as a result of foreclosure or trustee's sale, nor any successor or assign of either of the foregoing, shall be: (i) liable for any default by Landlord; (ii) bound by or liable for any payment of Rent which may have been made more than five (5) days before the due date of such installment; (iii) subject to any defense or offset which Tenant may have to the payment of Rent or other performance under this Lease arising from any default by Landlord; or (iv) bound by any amendment or modification to this Lease made without the consent of such mortgagee if the consent of such mortgagee or beneficiary thereto is required.

(c) Within three (3) business days following a request by Landlord, Tenant agrees to execute any documents reasonably required to effectuate the foregoing subordination or such other reasonable and customary subordination, non-disturbance, and attornment agreement submitted by Landlord to Tenant, which documents may contain such other terms as any mortgagee or prospective mortgagee may reasonably require, or to make this Lease prior to the lien of any mortgage, deed of trust, or underlying lease, as the case may be.

(d) Tenant agrees to simultaneously give to any party holding a mortgage, deed of trust, or other security agreement encumbering the Property, by registered or certified mail, a copy of any notice of default served upon Landlord, provided Tenant has been notified in writing of the names and addresses of such mortgagee(s) and such parties shall have the same cure rights as Landlord has under this Lease.

(e) Tenant, at any time and from time to time, within seven (7) days after written request from the Landlord, shall execute, acknowledge and deliver to the other party, addressed to the other party and any prospective purchaser, ground or underlying lessor, or mortgagee or beneficiary of any part of the Property, an estoppel certificate in form and substance reasonably designated by the other party. It is intended that any such certificate may be relied upon by the party receiving same and any prospective purchaser, investor, ground or underlying lessor, or mortgagee or deed of trust beneficiary of all or any part of the Property.

17. End of Term; Holding Over.

(a) No later than the Lease Expiration Date, Tenant shall remove its Tenant-Owned Property (except as otherwise provided herein) and will peaceably yield up the Premises in broom clean condition. Notwithstanding the foregoing, Tenant shall not be responsible: (i) to repair the effects of normal wear and tear; (ii) for damage which is Landlord's responsibility to repair; (iii) for damage by fire, the elements, or casualty (not caused by Tenant or any Tenant Party); and (iv) for damage which is the result of the misconduct or gross negligence of Landlord, its contractors, agents, employees, or invitees.

(b) If Tenant shall hold over after the Lease Expiration Date, Tenant shall pay Two Hundred percent (200%) of the Rent payable during the final full month of the Term (exclusive of abatements, if any) and Tenant's occupancy shall otherwise be on the terms and conditions herein specified so far as applicable (but expressly excluding all renewal or extension rights). No holding over by Tenant after the Term shall operate to extend the Term. Any holding over with Landlord's written consent shall be construed as a tenancy at sufferance or from month to month, at Landlord's option. Any holding over without Landlord's written consent shall entitle Landlord to re-enter the Premises as provided in Section 15, and to enforce all other rights and remedies provided by law or this Lease.

18. Security Deposit.

(a) Simultaneously with Tenant's execution of this Lease, Tenant shall deposit with Landlord the Security Deposit as security for the performance by Tenant of all of Tenant's obligations, covenants, conditions, and agreements under this Lease. Landlord shall not be required to maintain the Security Deposit in a separate account. If an Event of Default occurs under this Lease by Tenant, Landlord shall have the right, but not the obligation, to use, apply, or retain all or any portion of the Security Deposit for the payment of: (i) Fixed Rent, Additional Rent, or any other sum as to which Tenant is in default; or (ii) the amount Landlord spends or may become obligated to spend, or to compensate Landlord for any losses incurred by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, then within five (5) days after Landlord gives Tenant written notice, Tenant shall deposit with Landlord cash in an amount sufficient to restore the Security Deposit to the original amount. Tenant's failure to do so shall constitute an Event of Default under this Lease.

(b) If Landlord transfers the Security Deposit to any purchaser or other transferee of Landlord's interest in the Property, then Tenant shall look only to such purchaser or transferee for the return of the Security Deposit and Landlord shall be released from all liability to Tenant for the return of the Security Deposit.

19. Signs. Tenant may place its standard signs within the Premises. Landlord shall place Tenant's name on the Building directory and shall install Tenant's standard sign on the entrance doors to the Premises.

20. Parking. Landlord shall provide and maintain unreserved, self-park parking, illuminated spaces on the paved parking area adjacent to the Building for the exclusive use of Tenant's employees and its invitees.

21. Notices. All notices or other communications required hereunder shall be in writing and shall be deemed duly given: (a) when delivered in person (with receipt therefor); (b) on the next business day after deposit with a recognized overnight delivery service; or (c) on the third (3rd) business day after being sent by certified or registered mail, return receipt requested, postage prepaid, to addresses of Landlord and Tenant set forth in Section 1. Either party may change its address for the giving of notices by notice given in accordance with this Section 21. A party's refusal to accept delivery of any notice or communication sent by the other party shall not render such notice ineffective. Notwithstanding the foregoing, all bills, statements, invoices, consents, requests, or other communications from Landlord to Tenant with respect to Rent may be sent to Tenant by regular United States mail.

22. Miscellaneous Provisions.

(a) Landlord and Tenant each represent and warrant to the other that neither of them has employed or dealt with any broker, agent, or finder, other than Broker, in connection with this Lease. Tenant and Landlord shall each indemnify and hold harmless the other from and against any claim or claims for any broker's fee or commission asserted by any broker, agent, or finder employed by Tenant, other than Broker. The provisions of this Section 22(a) shall survive the expiration or other termination of this Lease.

(b) Landlord, its agents, employees, and independent contractors shall have the right to enter the Premises upon not less than twenty-four (24) hours' notice to (Except in an emergency): (i) inspect the Premises; (ii) supply any service or repair to be provided or performed by Landlord to Tenant; (iii) show the Premises to prospective purchasers, mortgagees, beneficiaries, or tenants; (iv) post notices of non-responsibility; (v) determine whether Tenant is complying with its obligations under this Lease; and (vi) alter, improve, or repair the Premises or any other portion of the Building. Notwithstanding the foregoing, Landlord shall not be required to provide prior notice to Tenant in the event of an emergency. Except to the extent caused by Landlord's gross negligence or willful misconduct, Tenant waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, any right to abatement of Rent, or any other loss occasioned by Landlord's exercise of any of its rights under this Section 22(b). To the extent reasonably practicable, any entry shall occur during normal business hours.

(c) The terms, covenants, and conditions contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and, except as otherwise expressly provided herein, their respective personal representatives and successors and assigns; provided, however, that upon the sale, assignment, or transfer by Landlord (or by any subsequent Landlord) of its interest in the Building or Property as owner or lessee, including, without limitation, any transfer upon or in lieu of foreclosure or by operation of law, Landlord (or subsequent Landlord) shall be relieved from all subsequent obligations or liabilities under this Lease, and all obligations subsequent to such sale, assignment, or transfer (but not any obligations or liabilities that have accrued prior to the date of such sale, assignment, or transfer) shall be binding upon the grantee, assignee, or other transferee of such interest. Any such grantee, assignee, or transferee, by accepting such interest, shall be deemed to have assumed such subsequent obligations and liabilities.

(d) If any provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall remain in effect and shall be enforceable to the full extent permitted by law.

(e) The terms of this Lease (including, without limitation, the Exhibits and Schedules to this Lease) are intended by the parties as a final expression of their agreement with respect to such terms as are included in this Lease and may not be contradicted by evidence of any prior or contemporaneous agreement, arrangement, understanding, or negotiation (whether oral or written). The parties further intend that this Lease constitutes the complete and exclusive statement of its terms, and no extrinsic evidence whatsoever may be introduced in any judicial proceeding involving this Lease. Neither Landlord nor Landlord's agents have made any representations or warranties with respect to the Premises, the Building, the Property, or this Lease except as expressly set forth herein. The language in all parts of this Lease shall in all cases be construed as a whole and in accordance with its fair meaning and not construed for or against any party by reason of such party having drafted such language.

(f) Upon Tenant paying the Rent and performing all of Tenant's obligations under this Lease, Tenant may peacefully and quietly enjoy the Premises during the Term as against all persons or entities claiming by, through, or under Landlord, subject, however, to the provisions of this Lease and to the priority of any mortgages or deeds of trust or ground or underlying leases referred to in Section 16.

(g) All of Tenant's and Landlord's covenants and obligations contained in this Lease which by their nature might not be fully performed or capable of performance before the expiration or earlier termination of this Lease shall survive such expiration or earlier termination. No provision of this Lease providing for termination in certain events shall be construed as a limitation or restriction of Landlord's or Tenant's rights and remedies at law or in equity available upon a breach by the other party of this Lease.

(h) The Laws of the State of New Jersey shall govern the validity, performance, and enforcement of this Lease. Tenant consents to personal jurisdiction and venue in the state and judicial district in which the Building is located. The courts of the state where the Building is located will have exclusive jurisdiction and Tenant hereby agrees to such exclusive jurisdiction.

(i) This Lease may only be amended, modified, or supplemented by an agreement in writing duly executed by both Landlord and Tenant.

(j) This Lease shall not be recorded in whole or in memorandum form by either party hereto without the prior written consent of the other. At the request of either party, and subject to the reasonable consent of the non-requesting party, Landlord and Tenant may execute a memorandum of lease and record it in the public land records.

(k) Landlord to allow tenant to use the existing workstations that are currently in the Premises. The furniture shall remain Landlord's property through the lease term.

(l) Tenant to have access to both the fitness center and auditorium. Tenant must coordinate usage with SFA on-site management.

(m) LANDLORD AND TENANT KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER PARTY AGAINST THE OTHER IN ANY MATTER ARISING OUT OF THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE.

(n) DELIVERY OF THE LEASE TO EITHER PARTY SHALL NOT BIND ANY PARTY IN ANY MANNER, AND NO LEASE OR OBLIGATIONS OF LANDLORD OR TENANT SHALL ARISE UNTIL THIS INSTRUMENT IS SIGNED BY BOTH LANDLORD AND TENANT AND DELIVERY IS MADE TO EACH PARTY.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

LANDLORD

SFA 50 Millstone Road, LLC

By: /s/ Jeff Schneider
Name: Jeff Schneider
Title: Managing Principal

TENANT
Greenland Technologies Corporation

By: /s/ Raymond Wang
Name: Raymond Wang
Title: CEO

EXHIBIT "A"

FLOOR PLAN

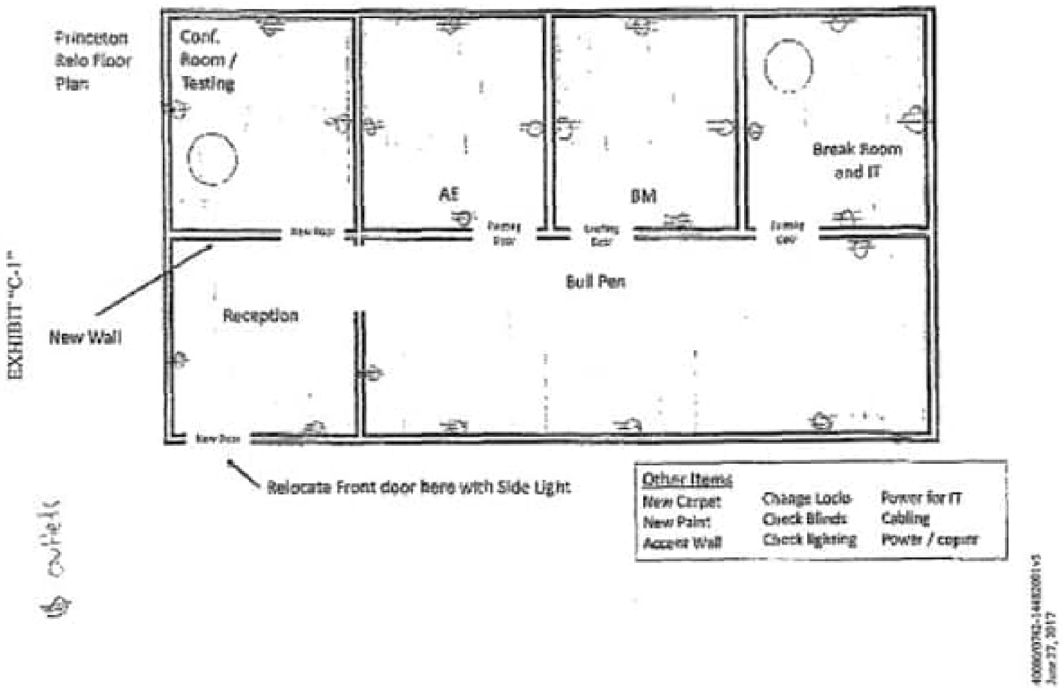

EXHIBIT "B"

RENT SCHEDULE

Period	Rate (per rentable square foot)	Annual Base Rent	Monthly Base Rent
Months 1-12	$ 23.50	$ 33,840	$ 2,820

TENANT TO PAY TENANT ELECTRIC AT A RATE OF $1.75 PSF PER ANNUM ($210 PER MONTH) AS ADDITIONAL RENT.

EXHIBIT "C"

LANDLORD'S WORK

1. Landlord (subject to the terms and provisions of Section 2 below) shall perform improvements to the Premises in accordance with Exhibit A, using Building standard methods, materials and finishes (collectively the "Landlord's Work"). Landlord's Work shall not include (a) wiring the Premises for telephone or data lines, (b) Tenant's internal security or entry access system, and (c) any furniture, office equipment or appliances, even if depicted on any of the plans.

2. Landlord and Tenant agree that Landlord's obligation to pay for the cost of Landlord's Work (inclusive of the cost of preparing plans, obtaining permits, any work required by a governmental agency, and other related costs) shall be limited to Section 6 below (the "Maximum Budget Amount"). If Landlord's Work exceeds the Maximum Budget Amount, Tenant shall pay to Landlord such excess costs, plus any applicable state sales or use tax thereon, within ten (10) days of demand therefor. If Tenant requests any other upgrades to Landlord's Work, subject to Landlord's approval, such upgrades shall be at Tenant's sole cost and expense, including, without limitation, any expenditure incurred by Landlord as a result of governmental requirements due to or arising from said construction work, and Tenant shall pay to Landlord such excess costs, plus any applicable state sales or use tax thereon, within ten (10) days of demand therefor.

3. "Substantial Completion" means Landlord's Work in the Premises is substantially completed (as reasonably determined by Landlord). Substantial Completion shall have occurred even though minor details of construction, decoration, and mechanical adjustments remain to be completed by Landlord, which Landlord agrees to complete within thirty (30) days thereafter.

4. "Tenant Delay Days" means each day of delay in the performance of Landlord's Work that occurs (a) because Tenant fails to timely furnish any information or deliver or approve any required documents such as the plans (whether preliminary, interim revisions or final), pricing estimates, construction bids, and the like, (b) because of any change by Tenant to the plans, (c) because Tenant fails to attend any meeting with Landlord, the architect, any design professional, or any contractor, or their respective employees or representatives, as may be required or scheduled hereunder or otherwise necessary in connection with the preparation or completion of any construction documents, such as the plans, or in connection with the performance of Landlord's Work, (d) because of any specification by Tenant of materials or installations in addition to or other than Landlord's standard finish-out materials, or (e) because Tenant otherwise delays completion of Landlord Work.

5. This Exhibit shall not be deemed applicable to any additional space added to the Premises at any time or from time to time, whether by any options under this Lease or otherwise, or to any portion of the original Premises or any additions to the Premises in the event of a renewal or extension of the term of this Lease, whether by any options under this Lease or otherwise, unless expressly so provided in this Lease or any amendment or supplement to this Lease.

6. See Below:

SFA to Provide:

1. Building standard materials and finishes.
    a. Paint the reception area with Sherwin Williams, “Direct Green” paint color, selected by Tenant.
    b. Paint remainder of space building standard white.

Tenant Responsibility:

1. Any non-building standard upgrades.

Exhibit 31.1

Certification by the Principal Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Raymond Z. Wang, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Greenland Technologies Holding Corporation;

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 company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) 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 control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company 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 company, 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 control over financial reporting, or caused such internal control 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 company'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 company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date: May 12, 2021

/s/ Raymond Z. Wang

Name: Raymond Z. Wang

Title: Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

Certification by the Principal Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jing Jin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Greenland Technologies Holding Corporation;

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 company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) 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 control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company 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 company, 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 control over financial reporting, or caused such internal control 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 company'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 company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date:	May 12, 2021
	/s/ Jing Jin
Name:	Jing Jin
Title:	Chief Financial Officer
	(*Principal Financial Officer*)

Exhibit 32.1

Certification by the Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to U.S.C. Section 1350 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), I, Raymond Z. Wang, Chief Executive Officer of Greenland Technologies Holding Corporation (the "Company"), hereby certify to my knowledge that:

The quarterly report on Form 10-Q for the quarter ended March 31, 2021 of the Company fully complies, in all material respects, with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 12, 2021

/s/ Raymond Z. Wang
Raymond Z. Wang
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification by the Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to U.S.C. Section 1350 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), I, Jing Jin, Chief Financial Officer of Greenland Technologies Holding Corporation (the “Company”), hereby certify to my knowledge that:

The quarterly report on Form 10-Q for the quarter ended March 31, 2021 of the Company fully complies, in all material respects, with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 12, 2021

/s/ Jing Jin
Jing Jin
Chief Financial Officer
(Principal Financial Officer)