

REFINITIV

DELTA REPORT

10-Q

PLAG - PLANET GREEN HOLDINGS COR

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 581

 **CHANGES** 168

 **DELETIONS** 210

 **ADDITIONS** 203

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: June September 30, 2023

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: **001-34449**

PLANET GREEN HOLDINGS CORP.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

87-0430320

(I.R.S. Employer
Identification Number)

**130-30 31st Ave, Suite 512
Flushing, NY 11354**

(718) 799-0380

(Address of principal executive office and zip code)

(718) 799-0380

(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 |
|---|-------------------|---|
| Common Stock, par value \$0.001 per share | PLAG | NYSE American |

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the issuer 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 every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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 | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

The number of outstanding shares of the registrant's common stock as of August 14, 2023 November 14, 2023 was 72,081,930.

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Caution Regarding Forward-Looking Statements

This quarterly report on Form 10-Q contains forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to the factors described in the section captioned "Risk Factors" described on the Registration Statement on Form S-3 filed by the Company on September 17, 2021, and as subsequently amended, together with the other information contained in this report. If any of the events described in the risk factors occur, our business, financial condition and operating results may be materially adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment.

In some cases, you can identify forward-looking statements by terms such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "would" or the negative of such terms or other similar expressions intended to identify forward-looking statements. Forward-looking statements reflect our current views with respect to future events and are based on assumptions and are subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our estimates and assumptions only as of the date of this report. You should read this report completely and with the understanding that our actual future results may be materially different from what we expect.

Except as required by law, we assume no obligation to update any forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in any forward-looking statements, even if new information becomes available in the future.

PART I

Use of Certain Defined Terms

Except where the context otherwise requires and for the purposes of this report only:

- "Anhui Ansheng" refers to Anhui Ansheng Petrochemical Equipment Co., Ltd., a company incorporated in China.
- "Allinyson" refers to Allinyson Ltd., a company incorporated in the State of Colorado.
- "Bless Chemical" refers to Bless Chemical Co., Ltd., a company incorporated in Hong Kong.
- "Baokuan Hong Kong" refers to Baokuan Technology (Hong Kong) Limited, a company incorporated in Hong Kong.
- "China" and "PRC" refer to the People's Republic of China (excluding Hong Kong, Macau and Taiwan for the purposes of this report only).
- "Fast Approach" refers to Fast Approach Inc., a corporation incorporated under the laws of Canada.
- "Hubei Bulaisi" Refers to Hubei Bulaisi Technology Co., Ltd., a PRC limited liability company.
- "Guangzhou Haishi" refers to Guangzhou Haishi Technology Co., Ltd., a PRC limited liability company.
- "Jiayi Technologies" or "WFOE" refers to Jiayi Technologies (Xianning) Co., Ltd., a PRC limited liability company and a wholly foreign-owned enterprise, formerly known as Lucky Sky Petrochemical Technology (Xianning) Co. Ltd.
- "Jilin Chuangyuan" refers to Jilin Chuangyuan Chemical Co., Ltd., a PRC limited liability company.
- "Jingshan Sanhe" refers to Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd., a PRC limited company.
- "Promising Prospect HK" refers to Promising Prospect HK Limited, formerly known as Lucky Sky Planet Green Holdings Co., Limited, a company incorporated in Hong Kong.
- "Planet Green" refers to Planet Green Holdings Corp., a Nevada holding company.
- "PLAG," "we," "us", "our," "Planet Green" and the "Company" refer to Planet Green Holdings Corp., a Nevada corporation, and except where the context requires otherwise, our wholly-owned subsidiaries and VIEs.
- "Promising Prospect BVI" refers to Promising Prospect Limited, formerly known as Planet Green Holdings Corporation, a British Virgin Islands company.
- "RMB" refers to Renminbi, the legal currency of China.
- "Shanghai Shuning" refers to Shanghai Shuning Advertising Co., Ltd., a PRC limited liability company.
- "Shandong Yunchu" Refers to Shandong Yunchu Supply Chain Co., Ltd., a PRC limited liability company.
- "U.S. dollar", "\$" and "US\$" refer to the legal currency of the United States.
- "VIE" refers to variable interest entity.

- "Xianning Bozhuang" refers to Xianning Bozhuang Tea Products Co., Ltd., a PRC limited liability company.
- "Shine Chemical" refers to Shine Chemical Co., Ltd., a company incorporated in British Islands.

PLANET GREEN HOLDINGS CORP.
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE **SEPTEMBER** 30, 2023 AND DECEMBER 31, 2022
(Stated in US Dollars)

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F-1

Planet Green Holdings Corp.
Unaudited Condensed Consolidated Balance Sheets
As of June 30, 2023 September 30, 2023 and December 31, 2022
(Stated in US Dollars)

| | June 30, | December | September 30, December 31, | |
|---|----------------------|---------------------------|-----------------------------------|----------------------|
| | 2023 | 31, 2022 | 2023 | 2022 |
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 713,196 | \$ 93,487 | \$ 313,500 | \$ 93,487 |
| Accounts receivable, net | 2,848,954 | 2,996,638 | 2,771,347 | 2,996,638 |
| Inventories | 3,656,104 | 4,153,680 | 5,076,675 | 4,153,680 |
| Advances to suppliers | 8,338,014 | 5,417,449 | 8,314,422 | 5,417,449 |
| Other receivables | 441,491 | 413,315 | 361,872 | 413,315 |
| Other receivables-related parties | 1,181,534 | 180,578 | 769,427 | 180,578 |
| Prepaid expenses | 468,004 | 579,826 | 966,169 | 579,826 |
| Total current assets | <u>17,647,297</u> | <u>13,834,973</u> | <u>18,573,412</u> | <u>13,834,973</u> |
| Non-current assets | | | | |
| Plant and equipment, net | 20,776,498 | 22,569,125 | 20,453,897 | 22,569,125 |
| Intangible assets, net | 2,867,149 | 3,070,172 | 2,840,646 | 3,070,172 |
| Construction in progress, net | 43,344 | 33,260 | 43,622 | 33,260 |
| Long-term investments | 2,767,860 | 16,488,157 | 2,785,593 | 16,488,157 |
| Goodwill ¹ | <u>4,724,698</u> | <u>4,724,699</u> | | |
| Goodwill | | | 4,724,698 | 4,724,699 |
| Total non-current assets | <u>31,179,549</u> | <u>46,885,413</u> | <u>30,848,456</u> | <u>46,885,413</u> |
| Total assets | <u>\$ 48,826,846</u> | <u>\$ 60,720,386</u> | <u>\$ 49,421,868</u> | <u>\$ 60,720,386</u> |
| Liabilities and Stockholders' Equity | | | | |
| Current liabilities | | | | |
| Loans-current | 3,459,825 | 3,589,582 | \$ 3,481,991 | \$ 3,589,582 |
| Accounts payable | 3,525,902 | 3,528,057 | 3,442,950 | 3,528,057 |
| Advance from customers | 3,833,263 | 2,624,070 | 4,677,016 | 2,624,070 |
| Taxes payable | 1,167,429 | 1,083,493 | 1,188,653 | 1,083,493 |
| Other payables and accrued liabilities | 4,805,964 | 4,412,833 | 4,545,063 | 4,412,833 |
| Other payables-related parties | 5,169,618 | 4,282,841 | 6,357,043 | 4,282,841 |
| Deferred income | 43,517 | 52,088 | 39,641 | 52,088 |
| Total current liabilities | <u>22,005,518</u> | <u>19,572,964</u> | <u>23,732,357</u> | <u>19,572,964</u> |
| Non-current liabilities | | | | |
| other long-term liabilities | 227,809 | 273,757 | 209,118 | 273,757 |
| Loans-non-current | <u>276,786</u> | <u>287,167</u> | | |

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Loans-noncurrent | | | 278,559 | 287,167 |
| Total non-current liabilities | 504,595 | 560,924 | 487,677 | 560,924 |
| Total liabilities | \$ 22,510,113 | \$ 20,133,888 | \$ 24,220,034 | \$ 20,133,888 |
| Stockholders' equity | | | | |
| Preferred stock: \$0.001 par value, 5,000,000 shares authorized; no shares issued and outstanding as of June 30, 2023 and December 31, 2022 | | | | |
| Common stock: \$0.001 par value, 200,000,000 shares authorized; 72,081,930 shares | | | | |
| Issued and outstanding as of June 30, 2023 and December 31, 2022 | 72,082 | 72,082 | | |
| Preferred stock: \$0.001 par value, 5,000,000 shares authorized; none issued and outstanding as of September 30, 2023 and December 31, 2022 | | | | |
| Common stock: \$0.001 par value, 200,000,000 shares authorized; 72,081,930 and 72,081,930 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively | | | 72,082 | 72,082 |
| Additional paid-in capital | 155,702,975 | 155,702,975 | 155,702,975 | 155,702,975 |
| Accumulated deficit | (133,365,820) | (119,880,801) | (134,644,946) | (119,880,801) |
| Accumulated other comprehensive income | 3,907,496 | 4,692,242 | 4,071,723 | 4,692,242 |
| Total stockholders' equity | \$ 26,316,733 | \$ 40,586,498 | \$ 25,201,834 | \$ 40,586,498 |
| Total liabilities and stockholders' equity | \$ 48,826,846 | \$ 60,720,386 | \$ 49,421,868 | \$ 60,720,386 |

See Accompanying Notes to the Financial Statements

F-2

Planet Green Holdings Corp.
Unaudited Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income
For the Six Months Ended June 30, 2023 and 2022
(Stated in US Dollars)

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|--|-------------------------------------|---------------|-----------------------------------|---------------|--|---------------|---|---------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | \$ 4,573,443 | \$ 15,544,255 | \$ 13,107,735 | \$ 27,523,610 | \$ 4,183,478 | \$ 10,264,434 | \$ 17,291,213 | \$ 37,788,044 |
| Net revenues | 4,530,789 | 14,802,193 | 12,818,655 | 25,618,589 | 3,834,083 | 9,566,309 | 16,652,738 | 35,184,898 |
| Cost of revenues | 42,654 | 742,062 | 289,080 | 1,905,021 | 349,395 | 698,125 | 638,475 | 2,603,146 |
| Gross profit | | | | | | | | |
| Operating expenses: | | | | | | | | |
| Selling and marketing expenses | 242,718 | 483,639 | 487,437 | 934,881 | 234,019 | 562,313 | 721,456 | 1,497,194 |
| General and administrative expenses | 984,933 | 1,688,039 | 2,077,835 | 3,490,848 | 1,179,676 | 2,166,074 | 3,257,511 | 5,656,922 |
| Research & Developing expenses | 65,188 | 63,021 | 133,907 | 71,946 | 61,985 | 79,031 | 195,892 | 150,977 |
| Total operating expenses | 1,292,839 | 2,234,699 | 2,699,179 | 4,497,675 | 1,475,680 | 2,807,418 | 4,174,859 | 7,305,093 |
| Operating loss | (1,250,185) | (1,492,637) | (2,410,099) | (2,592,654) | | | | |
| Operating (loss) income | | | | | (1,126,285) | (2,109,293) | (3,536,384) | (4,701,947) |
| Other (expenses) income | | | | | | | | |
| Interest income | 261 | 582 | 365 | 9,123 | 303 | 108 | 668 | 9,231 |
| Interest expenses | (129,521) | (161,928) | (245,734) | (327,695) | (123,216) | (160,636) | (368,950) | (488,331) |
| Other income | 62,483 | 219,777 | 101,198 | 319,288 | 6,390 | 20,230 | 107,588 | 339,518 |
| Other expenses | (2,980) | (12,758) | (3,419) | (27,062) | (2,871) | (8,796) | (6,290) | (35,858) |
| Loss on disposal of equity investments | (10,848,632) | - | (10,848,632) | - | - | - | (10,848,632) | - |
| Total other (expenses) income | (10,918,389) | 45,673 | (10,996,222) | (26,346) | (119,394) | (149,094) | (11,115,616) | (175,440) |
| | | | | | | | | |

| | | | | | | | | |
|--|--------------|-------------|--------------|-------------|----------------|----------------|-----------------|----------------|
| Loss before income taxes | (12,168,574) | (1,446,964) | (13,406,321) | (2,619,000) | | | | |
| (Loss) income before income taxes | | | | | (1,245,679) | (2,258,387) | (14,652,000) | (4,877,387) |
| Income tax expenses | (31,074) | (48,054) | (78,698) | (137,457) | (33,447) | (37,644) | (112,145) | (175,101) |
| Loss from operations | (12,199,648) | (1,495,018) | (13,485,019) | (2,756,457) | | | | |
| Net (loss) income | | | | | (1,279,126) | (2,296,031) | (14,764,145) | (5,052,488) |
| Net loss | (12,199,648) | (1,495,018) | (13,485,019) | (2,756,457) | | | | |
| Less: Net (loss) income attributable to non-controlling interest | | | | | - | (139,895) | - | (181,728) |
| Less: Net loss attributable to non-controlling interest | - | (10,171) | - | (41,833) | | | | |
| Net (loss) income attributable to common shareholders | | | | | \$ (1,279,126) | \$ (2,156,136) | \$ (14,764,145) | \$ (4,870,760) |
| Net loss attributable to common shareholders | | | | | | | | |
| Net loss | (12,199,648) | (1,495,018) | (13,485,019) | (2,714,624) | | | | |
| Net (loss) income | | | | | (1,279,126) | (2,296,031) | (14,764,145) | (5,052,488) |
| Foreign currency translation adjustment | (1,116,356) | (2,018,037) | (784,746) | (1,851,882) | 164,227 | (1,713,581) | (620,519) | (3,565,463) |
| Total comprehensive loss | (13,316,004) | (3,513,055) | (14,269,765) | (4,608,339) | | | | |
| Total comprehensive (loss) income | | | | | (1,114,899) | (4,009,612) | (15,384,664) | (8,617,951) |

| | | | | | | | | | | | |
|---|-----------------|----------------|-----------------|----------------|----------------|----------------|-----------------|----------------|---|-----------|--|
| Less: | | | | | | | | | | | |
| Comprehensive loss attribute to non-controlling interest | - | (45,126) | - | (71,694) | | | | | | | |
| Comprehensive loss attribute to common share holders | \$ (13,316,004) | \$ (3,467,929) | \$ (14,269,765) | \$ (4,536,645) | | | | | | | |
| Less: | | | | | | | | | | | |
| Comprehensive (loss) income attribute to non-controlling interest | | | | | - | (161,138) | | | - | (232,832) | |
| Comprehensive (loss) income attribute to common share holders | | | | | \$ (1,114,899) | \$ (3,848,474) | \$ (15,384,664) | \$ (8,385,119) | | | |
| (Loss) earnings per common share - basic and diluted | \$ (0.17) | \$ (0.03) | \$ (0.19) | \$ (0.06) | \$ (0.02) | \$ (0.03) | \$ (0.20) | \$ (0.09) | | | |
| Basic and diluted weighted average shares outstanding | 72,081,930 | 54,165,263 | 72,081,930 | 48,043,041 | 72,081,930 | 69,708,304 | 72,081,930 | 55,335,606 | | | |

See Accompanying Notes to the Financial Statements

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Planet Green Holdings Corp.
Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity
For the Three and Six Nine Months Ended June 30, 2023 September 30, 2023 and 2022
(Stated in US Dollars)

| | Number of Shares | Common Stock | Additional Paid-in Capital | Accumulated Deficit | Other Comprehensive Income | Non-Controlling Interests | Accumulated Total |
|---|-------------------------|---------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------------|--------------------------|
| Balance, March 31, 2022 | 42,581,930 | \$ 42,582 | \$ 137,324,482 | \$ (95,302,160) | \$ 7,872,119 | \$ 1,974,044 | \$ 51,911,067 |
| Net loss | - | - | - | (1,484,847) | - | (10,171) | (1,495,018) |
| Issuance of common stock for cash | 10,000,000 | 10,000 | 4,090,000 | - | - | - | 4,100,000 |
| Issuance of shares for acquisition | 7,500,000 | 7,500 | 7,422,000 | - | - | - | 7,429,500 |
| Acquiring non-controlling interests | - | - | - | - | - | - | - |
| Foreign currency translation adjustment | - | - | - | - | (1,983,082) | (34,955) | (2,018,037) |
| Balance, June 30, 2022 | <u>60,081,930</u> | <u>\$ 60,082</u> | <u>\$ 148,836,482</u> | <u>\$ (96,787,007)</u> | <u>\$ 5,889,037</u> | <u>\$ 1,928,918</u> | <u>\$ 59,927,512</u> |
| Balance, March 31, 2023 | 72,081,930 | \$ 72,082 | 155,702,975 | \$ (121,166,172) | \$ 5,023,852 | \$ - | \$ 39,632,737 |
| Net loss | - | - | - | (12,199,648) | - | - | (12,199,648) |
| Foreign currency translation adjustment | - | - | - | - | (1,116,356) | - | (1,116,356) |
| Balance, June 30, 2023 | <u>72,081,930</u> | <u>\$ 72,082</u> | <u>\$ 155,702,975</u> | <u>\$ (133,365,820)</u> | <u>\$ 3,907,496</u> | <u>\$ -</u> | <u>\$ 26,316,733</u> |

| | Number of Shares | Common Stock | Additional Paid-in Capital | Accumulated Deficit | Other Comprehensive Income | Non-Controlling Interests | Accumulated Total |
|---|-------------------------|---------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------------|--------------------------|
| Balance, July 1, 2022 | 60,081,930 | \$ 60,082 | \$ 148,836,482 | \$ (96,787,007) | \$ 5,889,037 | \$ 1,928,918 | \$ 59,927,512 |
| Net (loss) income | - | - | - | (2,156,136) | - | (139,895) | (2,296,031) |
| Issuance of shares for long-term investment | 12,000,000 | 12,000 | 9,588,000 | - | - | - | 9,600,000 |
| Acquiring non-controlling interests | - | - | (2,721,507) | - | - | (278,493) | (3,000,000) |
| Foreign currency translation adjustment | - | - | - | - | (1,692,339) | (21,243) | (1,713,582) |
| Balance, September 30, 2022 | <u>72,081,930</u> | <u>\$ 72,082</u> | <u>\$ 155,702,975</u> | <u>\$ (98,943,143)</u> | <u>\$ 4,196,698</u> | <u>\$ 1,489,287</u> | <u>\$ 62,517,899</u> |
| Balance, July 1, 2023 | 72,081,930 | \$ 72,082 | 155,702,975 | \$ (133,365,820) | \$ 3,907,496 | \$ - | \$ 26,316,733 |
| Net (loss) income | - | - | - | (1,279,126) | - | - | (1,279,126) |

| | | | | | | | |
|--|-------------------|------------------|-----------------------|-------------------------|---------------------|-------------|----------------------|
| Foreign currency translation adjustment | - | - | - | - | 164,227 | - | 164,227 |
| Balance, September 30, 2023 | <u>72,081,930</u> | <u>\$ 72,082</u> | <u>\$ 155,702,975</u> | <u>\$ (134,246,166)</u> | <u>\$ 4,071,723</u> | <u>\$ -</u> | <u>\$ 25,201,834</u> |

See Accompanying Notes to the Financial Statements

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| | | | | | | Accumulated Other Comprehensive Income | Non- Controlling Interests | |
|--|---------------------|------------------|----------------------------------|-------------------------|---------------------|---|----------------------------------|------------|
| | Number of Shares | Common Stock | Additional Paid-in Capital | Accumulated Deficit | | | | Total |
| <u>Balance, January 1, 2022</u> | 35,581,930 | \$ 35,582 | \$ 133,232,224 | \$ (94,072,383) | \$ 7,711,057 | \$ 4,349,870 | \$ 51,256,350 | |
| Net loss | - | - | - | (2,714,624) | - | (41,833) | (2,756,457) | |
| Issuance of common stock for cash | 17,000,000 | 17,000 | 11,083,000 | - | - | - | - | 11,100,000 |
| Issuance of shares for acquisition | 7,500,000 | 7,500 | 7,422,000 | - | - | - | - | 7,429,500 |
| Acquiring non- controlling interests | - | - | (2,900,742) | - | - | (2,349,258) | (5,250,000) | |
| Foreign currency translation adjustment | - | - | - | - | (1,822,020) | (29,861) | (1,851,881) | |
| <u>Balance, June 30, 2022</u> | <u>60,081,930</u> | <u>\$ 60,082</u> | <u>148,836,482</u> | <u>\$ (96,787,007)</u> | <u>\$ 5,889,037</u> | <u>\$ 1,928,918</u> | <u>\$ 59,927,512</u> | |
| <u>Balance, January 1, 2023</u> | <u>72,081,930</u> | <u>\$ 72,082</u> | <u>155,702,975</u> | <u>\$ (119,880,801)</u> | <u>\$ 4,692,242</u> | <u>\$ -</u> | <u>\$ 40,586,498</u> | |
| Net loss | - | - | - | (13,485,019) | - | - | (13,485,019) | |
| Foreign currency translation adjustment | - | - | - | - | (784,746) | - | (784,746) | |
| <u>Balance, June 30, 2023</u> | <u>72,081,930</u> | <u>\$ 72,082</u> | <u>155,702,975</u> | <u>\$ (133,365,820)</u> | <u>\$ 3,907,496</u> | <u>\$ -</u> | <u>\$ 26,316,733</u> | |
| | | | | | | Accumulated Other Comprehensive Income | Non- Controlling Interests | |
| | Number of Shares | Common Stock | Additional Paid-in Capital | Accumulated Deficit | | | | Total |
| <u>Balance, January 1, 2022</u> | <u>35,581,930</u> | <u>\$ 35,582</u> | <u>\$ 133,232,224</u> | <u>\$ (94,072,383)</u> | <u>\$ 7,711,057</u> | <u>\$ 4,349,870</u> | <u>\$ 51,256,350</u> | |
| Net (loss) income | - | - | - | (4,870,760) | - | (181,728) | (5,052,488) | |
| Issuance of common stock for cash | 17,000,000 | 17,000 | 11,083,000 | - | - | - | - | 11,100,000 |
| Issuance of shares for acquisition | 7,500,000 | 7,500 | 7,422,000 | - | - | - | - | 7,429,500 |
| Issuance of shares for long-term investment | 12,000,000 | 12,000 | 9,588,000 | - | - | - | - | 9,600,000 |
| Acquiring non-controlling interests | - | - | (5,622,249) | - | - | (2,627,751) | (8,250,000) | |
| Foreign currency translation adjustment | - | - | - | - | (3,514,359) | (51,104) | (3,565,463) | |
| <u>Balance, September 30, 2022</u> | <u>72,081,930</u> | <u>\$ 72,082</u> | <u>155,702,975</u> | <u>\$ (98,943,143)</u> | <u>\$ 4,196,698</u> | <u>\$ 1,489,287</u> | <u>\$ 62,517,899</u> | |
| <u>Balance, January 1, 2023</u> | <u>72,081,930</u> | <u>\$ 72,082</u> | <u>155,702,975</u> | <u>\$ (119,880,801)</u> | <u>\$ 4,692,242</u> | <u>\$ -</u> | <u>\$ 40,586,498</u> | |
| Net (loss) income | - | - | - | (14,365,365) | - | - | (14,764,145) | |
| Foreign currency translation adjustment | - | - | - | - | (620,519) | - | (620,519) | |
| <u>Balance, September 30, 2023</u> | <u>72,081,930</u> | <u>\$ 72,082</u> | <u>155,702,975</u> | <u>\$ (134,246,166)</u> | <u>\$ 4,071,723</u> | <u>\$ -</u> | <u>\$ 25,201,834</u> | |

See Accompanying Notes to the Financial Statements

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Planet Green Holdings Corp.
Unaudited Condensed Consolidated Statements of Cash Flows
For the Six Nine Months Ended June 30, 2023 September 30, 2023 and 2022
(Stated in US Dollars)

| | 2023 | 2022 | 2023 | 2022 |
|--|--------------------|--------------------|--------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Net loss | \$ (13,485,019) | \$ (2,756,457) | | |
| Net (loss) income | | | \$ (14,764,145) | \$ (5,052,488) |
| Adjustments to reconcile net loss to cash (used in) provided by operating activities: | | | | |
| Depreciation | 1,038,757 | 668,368 | 1,531,932 | 716,964 |
| Amortization | 60,314 | 61,899 | 140,790 | 56,931 |
| Amortization of operating lease right-of-use assets | - | 241,977 | - | 377,332 |
| Impairment of equipment | - | (42,940) | - | (90,894) |
| Loss on disposal of equity investments | 10,848,632 | - | 10,848,632 | - |
| Changes in operating assets and liabilities, net of effects of acquisitions and disposals: | | | | |
| Note and account receivables, net | 48,800 | 1,473,632 | | |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable, net | | | 142,602 | 2,020,575 |
| Inventories | 362,305 | (488,672) | (1,072,128) | (420,971) |
| Prepayments and deposit | (3,248,171) | (2,785,597) | (3,351,255) | 169,187 |
| Other receivables | (41,407) | (320,618) | 39,975 | 221,050 |
| Accounts payables | - | 293,893 | 9,041 | 880,486 |
| Advance from customer | 1,357,209 | (713,573) | 2,067,118 | (1,559,954) |
| Other payables and accruals | 576,796 | (3,740,790) | 273,793 | (7,437,104) |
| Taxes payable | 249,706 | 154,774 | (94,936) | 184,151 |
| Deferred income | (8,032) | (11,680) | (12,048) | (19,951) |
| Lease liability | - | (234,566) | - | (253,347) |
| Net cash used in operating activities | <u>(2,240,110)</u> | <u>(8,200,350)</u> | | |
| Net cash provided by (used in) operating activities | | | <u>(4,240,629)</u> | <u>(10,208,033)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Purchase of plant and equipment | (20,857) | - | (70,931) | - |
| Purchase of long-term investment | - | (4,100,000) | - | (3,517,590) |
| Proceeds from disposal of equity method investments | 2,770,000 | - | | |
| Proceeds from disposal of equity method investments | | | 2,770,000 | - |
| Net increase in cash from acquisition subsidiaries | - | 246,322 | - | 246,322 |
| Net cash (used in) provided by investing activities | <u>2,749,143</u> | <u>(3,853,678)</u> | | |
| Net cash provided by (used) in investing activities | | | <u>2,699,069</u> | <u>(3,271,268)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
| Payments of short-term loan | - | (574,175) | - | (677,604) |
| Payments of long-term loan | (39,521) | - | | |

| | | | | |
|---|------------|--------------|------------|--------------|
| Proceeds from long-term loans | | | (59,000) | |
| Changes in related party balances, net | 73,426 | (139,482) | 1,586,688 | 892,112 |
| Proceeds from issuance of common stock | - | 11,100,000 | - | 11,100,000 |
| Net cash provided by financing activities | 33,905 | 10,386,343 | | |
| Net cash provided by (used in) financing activities | | | 1,527,688 | 11,314,508 |
| Net increase in cash and cash equivalents | 542,938 | (1,667,685) | | |
| Net decrease in cash and cash equivalents | | | (13,872) | (2,164,792) |
| EFFECT OF EXCHANGE RATE ON CASH | 76,771 | 914,974 | 233,885 | 1,344,480 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 93,487 | 1,131,408 | 93,487 | 1,131,408 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$ 713,196 | \$ 378,697 | \$ 313,500 | \$ 311,095 |
| SUPPLEMENTARY OF CASH FLOW INFORMATION | | | | |
| Interest received | \$ 365 | \$ 9,123 | \$ 668 | \$ 9,231 |
| Interest paid | \$ 245,734 | \$ 327,695 | \$ 368,950 | \$ 488,331 |
| NON-CASH TRANSACTIONS | | | | |
| Operating lease right-of-use assets | \$ - | \$ 351,040 | \$ - | \$ 233,671 |
| Issuance of shares for acquisition | \$ - | \$ 7,429,500 | \$ - | \$ 7,429,500 |

See Accompanying Notes to the Financial Statements

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PLANET GREEN HOLDINGS CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE September 30, 2023 AND DECEMBER 31, 2022 December 31, 2022
(Stated in US Dollars)

1. Organization and Principal Activities

Planet Green Holdings Corp. (the "Company" or "PLAG") is a holding company incorporated in the State of Nevada. The Company is engaged in various businesses through our subsidiaries and variable interest entities in China.

The accompanying unaudited condensed consolidated financial statements reflect the activities of Planet Green Holdings Corp. and each of the following entities:

| Name of Company | Place of incorporation | Attributable equity interest % | Registered capital | Place of | Attributable equity | | Registered capital |
|--|----------------------------|--------------------------------|--------------------|----------------------------|---------------------|------------|--------------------|
| | | | | incorporation | interest % | | |
| Promising Prospect BVI Limited | The British Virgin Islands | 100 | \$ 10,000 | The British Virgin Islands | 100 | \$ 10,000 | |
| Promising Prospect HK Limited | Hong Kong | 100 | 1 | Hong Kong | 100 | 1 | |
| Jiayi Technologies (Xianning) Co., Ltd. | PRC | 100 | 2,000,000 | PRC | 100 | 2,000,000 | |
| Fast Approach Inc. | Canada | 100 | 79 | Canada | 100 | 79 | |
| Shanghai Shuning Advertising Co., Ltd. (a subsidiary of Fast Approach) | PRC | 100 | - | PRC | 100 | - | |
| Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd. | PRC | 100 | 4,710,254 | PRC | 100 | 4,710,254 | |
| Xianning Bozhuang Tea Products Co., Ltd. | PRC | 100 | 6,277,922 | PRC | 100 | 6,277,922 | |
| Jilin Chuangyuan Chemical Co., Ltd. | PRC | VIE | 9,280,493 | PRC | VIE | 9,280,493 | |
| Bless Chemical Co., Ltd (a subsidiary of Shine Chemical) | Hong Kong | 100 | 10,000 | | | | |
| Bless Chemical Co., Ltd (a subsidiary of Shine Chemical) | | | | Hong Kong | 100 | 10,000 | |
| Hubei Bryce Technology Co., Ltd. (a subsidiary of Bless Chemical) | PRC | 100 | 30,000,000 | PRC | 100 | 30,000,000 | |
| Shandong Yunchu Supply Chain Co., Ltd. | PRC | 100 | 5,000,000 | PRC | 100 | 5,000,000 | |

| | | | | | | |
|---------------------------------------|----------------------------|-----|---------|----------------------------|-----|---------|
| Allinysen Ltd. | The State of Colorado | 100 | 100,000 | The United States | 100 | 100,000 |
| Shine Chemical Co., Ltd. | The British Virgin Islands | 100 | 8,000 | The British Virgin Islands | 100 | 8,000 |
| Guangzhou Haishi Technology Co., Ltd. | PRC | 100 | 156,250 | PRC | 100 | 156,250 |
| Baokuan Technology (Hongkong) Limited | Hong Kong | 100 | 1,250 | Hong Kong | 100 | 1,250 |

Management has eliminated all significant inter-company balances and transactions in preparing the accompanying consolidated financial statements. Ownership interests of subsidiaries that the Company does not wholly own are accounted for as non-controlling interests.

On May 29, 2020, the Promising Prospect BVI Limited incorporated Lucky Sky Planet Green Holdings Co., Limited, a limited company incorporated in Hong Kong.

On June 5, 2020, the Promising Prospect BVI Limited acquired all of the outstanding equity interests of Fast Approach Inc. Fast Approach It was incorporated under Canada's laws and run the operation of a demand-side platform and on-line advertising business, targeting the Chinese education market in North America.

On December 9, 2020, Lucky Sky Petrochemical Technology (Xianning) Co., Ltd. changed its name to Jiayi Technologies (Xianning) Co., Ltd. On January 6, 2021, Planet Green Holdings Corporation (Nevada) issued an aggregate of 2,200,000 shares of common stock of the Company to the equity holders of Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd. in exchange for the transfer of 85% of the equity interest of Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd. to the Jiayi Technologies (Xianning) Co., Ltd.

On March 9, 2021, Planet Green Holdings Corporation (Nevada) issued an aggregate of 3,300,000 shares of common stock of the Company to the equity holders of Jilin Chuangyuan Chemical Co., Ltd. in exchange for the transfer of 75% of the equity interest of Jilin Chuangyuan Chemical Co., Ltd. to the Jiayi Technologies (Xianning) Co., Ltd.

On July 15, 2021, Planet Green Holdings Corporation (Nevada) issued an aggregate of 4,800,000 shares of common stock of the Company to the equity holders of Anhui Ansheng Petrochemical Equipment Co., Ltd. for the transfer to 66% of the equity interest if Anhui Ansheng Petrochemical Equipment Co., Ltd. to the Jiayi Technologies (Xianning) Co., Ltd.

On August 1, 2021, Jiayi Technologies (Xianning) Co., Ltd. has terminated the VIE agreements with Xianning Bozhuang Tea Products Co., Ltd. and acquired 100% equity of Xianning Bozhuang Tea Products Co., Ltd. As a result, Xianning Bozhuang Tea Products Co., Ltd became the has been wholly-owned subsidiaries of the Jiayi Technologies (Xianning) Co., Ltd.

On August 3, 2021, the Planet Green Holding Corp has acquired all 8,000,000 ordinary shares issued and outstanding of the Shine Chemical Co., Ltd. As a result, Shine Chemical Co., Ltd, Bless Chemical Co., Ltd. and Hubei Bryce Technology Co., Ltd. became the Ltd have been wholly-owned subsidiaries of the Planet Green Holding Corp.

On September 1, 2021, Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd has changed its major shareholder from Mr. Feng Chao to Hubei Bryce Technology Co., Ltd and Hubei Bryce Technology Co., Ltd has hold 85% shares of Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd. after the change alteration of shareholders.

On December 9, 2021, Planet Green Holdings Corporation (Nevada) issued an aggregate of 5,900,000 shares of common stock to the equity holders of Shandong Yunchu Supply Chain Co., Ltd. for the transfer to 100% of the equity interest of Shandong Yunchu Supply Chain Co., Ltd. to the Jiayi Technologies (Xianning) Co., Ltd.

On April 8, 2022, Planet Green Holdings Corporation (Nevada) issued an aggregate of 7,500,000 shares of common stock to the equity holders of Allinysen Ltd. for the acquisition of 100% of the equity interest of Allinysen Ltd.

On September 14, 2022, Planet Green Holdings Corp. and Hubei Bulaisi Technology Co., Ltd. a subsidiary of the Company, entered into a Share Purchase Agreement with Xue Wang, a shareholder of Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd., pursuant to which, among other things and subject to the terms and conditions contained therein, the Purchaser agreed to effect share purchase from the Seller of 15% of the outstanding equity interests of Jingshan, and the Company shall pay to the Seller an aggregate of U.S. \$3,000,000 in exchange for 15% of the issued and outstanding shares. Before the closing of this Share Purchase transaction, the Company owns 85% equity interest of Jingshan through the Purchaser. On September 14, 2022, the Company closed the Share Purchase transaction. As of September 30, 2022, Hubei Bryce Technology Co., Ltd. has hold 100% shares of Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd. after the change alteration of shareholders.

Consolidation of Variable Interest Entity

On March 9, 2021, through Jiayi Technologies (Xianning) Co., Ltd., formerly known as Lucky Sky Petrochemical Technology (Xianning) Co., Ltd., the Company entered into exclusive VIE agreements ("VIE Agreements") with Jilin Chuangyuan Chemical Co., Ltd., as well as its their shareholders, which gave give the Company the ability to substantially influence those companies' daily operations and financial affairs and appoint their senior executives. The Company is considered the primary beneficiary of these operating companies, and it consolidates their accounts as VIEs.

On July 15, 2021 through Jiayi Technologies (Xianning) Co., Ltd., formerly known as Lucky Sky Petrochemical Technology (Xianning) Co., Ltd., the Company entered into exclusive VIE agreements ("VIE Agreements") with Anhui Ansheng Petrochemical Equipment Co., Ltd., as well as its their shareholders, which gave give the Company the ability to substantially influence those companies' daily operations and financial affairs and appoint its their senior executives. The Company is considered the primary beneficiary of these operating companies, and it consolidates their accounts as VIEs.

On August 1, 2021, Jiayi Technologies (Xianning) Co., Ltd. has terminated the VIE agreements with Xianning Bozhuang Tea Products Co., Ltd. On December 16, 2022, Jiayi Technologies (Xianning) Co., Ltd. terminated the VIE agreements with Xiaodong Cai and Anhui Ansheng Petrochemical Equipment Co., Ltd.

Each of the VIE Agreements is described in detail below:

Consultation and Service Agreement

Under the Consultation and Service Agreement, WFOE has the exclusive right to provide consultation and services to the operating entities in China in business management, human resource, technology, and intellectual property rights. WFOE exclusively owns any intellectual property rights arising from the performance of this Consultation and Service Agreement. The service fees and payment terms can be amended by mutual agreement by the WFOE and operating companies based on the circumstances of the implementation of this agreement. The duration of the Consultation and Service Agreement is 30 years. WFOE may terminate this agreement at any time by giving 30 day's prior written notice.

Business Cooperation Agreement

Pursuant to the Business Cooperation Agreement, WFOE has the exclusive right to provide complete technical support, business support, and related consulting services, including but not limited to specialized services, business consultations, equipment or property leasing, marketing consultancy, system integration, product research and development, and system maintenance. WFOE exclusively owns any intellectual property rights arising from the performance of this Business Cooperation Agreement. The rate of service fees may be adjusted based on the services rendered by WFOE in that month and the operational needs of the operating entities. The Business Cooperation Agreement shall maintain effective unless it was terminated or was compelled to release under applicable PRC laws and regulations. WFOE may terminate this Business Cooperation Agreement at any time by giving 30 day's prior written notice.

Equity Pledge Agreements

According to the Equity Pledge Agreements among WFOE, operating entities, and each of operating entities' shareholders, shareholders of the operating entities pledge all of their equity interests in the functional entities to WFOE to guarantee their performance of relevant obligations and indebtedness under the Technical Consultation and Service Agreement and other control agreements. Besides, shareholders of the operating entities are in the process of registering the equity pledge with the competent local authority.

Equity Option Agreements

According to the Equity Option Agreements, WFOE has the exclusive right to require each shareholder of the operating companies to fulfill and complete all approval and registration procedures required under PRC laws for WFOE to purchase or designate one or more persons to buy, each shareholder's equity interests in the operating companies, once or at multiple times at any time in part or in whole at WFOE's sole and absolute discretion. The purchase price shall be the lowest price allowed by PRC laws. The Equity Option Agreements shall remain effective until all the equity interest owned by each operating entity shareholder has been legally transferred to WFOE or its designee(s).

Voting Rights Proxy Agreements

According to the Voting Rights Proxy Agreements, each shareholder irrevocably appointed WFOE or WFOE's designee to exercise all his or her rights as the shareholders of the operating entities under the Articles of Association of each operating entity, including but not limited to the power to exercise all shareholder's voting rights concerning all matters to be discussed and voted in the shareholders' meeting. The term of each Voting Rights Proxy Agreement is 20 years. WOFE has the right to extend each Voting Proxy Agreement by giving written notification.

Based on the foregoing contractual arrangements, The Company consolidates the accounts of Xianning Bozhuang Tea Products Co., Ltd., Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd. and Jilin Chuangyuan Chemical Co., Ltd. in accordance with Regulation S-X-3A-02 promulgated by the Securities Exchange Commission ("SEC"), and Accounting Standards Codification ("ASC") 810-10, Consolidation.

Enterprise-wide disclosure

The Company's chief operating decision-makers (i.e. chief executive officer and her direct reports) review financial information presented on a consolidated basis, accompanied by disaggregated information about revenues by business lines for purposes of allocating resources and evaluating financial performance. There are no segment managers who are held accountable for operations, operating results and plans for levels or components below the consolidated unit level. Based on qualitative and quantitative criteria established by Accounting Standards Codification ("ASC") 280, "Segment Reporting", the Company considers itself to be operating within one reportable segment.

Going Concern

The accompanying unaudited condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern; however, the Company has incurred a net loss of ~~\$13,485,019~~ \$14,365,365 for the ~~six~~ nine months ended ~~June 30, 2023~~ September 30, 2023. As of ~~June 30, 2023~~ September 30, 2023, the Company had an accumulated deficit of ~~\$133,365,820~~ \$134,246,166, cash and cash equivalents of ~~\$713,196~~ \$313,500, working capital deficit of ~~\$4,358,221~~ \$4,769,328; its net cash used in operating activities for the ~~six~~ nine months ended ~~June 30, 2023~~ September 30, 2023 was ~~\$2,240,110~~ \$4,240,629.

These factors raise substantial doubt on the Company's ability to continue as a going concern. The accompanying unaudited condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Management's plan for the Company's continued existence is dependent upon management's ability to execute the business plan, develop the plan to generate profit; additionally, Management may need to continue to rely on private placements or certain related parties to provide funding for investment, for working capital and general corporate purposes. If management is unable to execute its plan, the Company may become insolvent.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements are presented in U.S. dollars in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") for financial information and pursuant to the rules and regulations of the SEC. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP. In the opinion of management, the unaudited condensed financial statements reflect all adjustments, which include only normal recurring adjustments necessary for the fair statement of the balances and results for the periods presented. Operating results for the **six nine** months ended **June 30, 2023** **September 30, 2023** are not necessarily indicative of the results that may be expected through December 31, 2023 or any future period.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Annual Report on Form 10-K filed by the Company with the SEC on March 31, 2023.

Use of Estimates

The unaudited condensed consolidated financial statements preparation requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Management makes these estimates using the best information available when the calculations are made; however, actual results could differ materially from those estimates. Significant estimates required to be made by management include but are not limited to add accounts that use significant estimates, such as the allowance for estimated uncollectible receivables, realizability of advance to suppliers, inventory valuations, etc.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. As of **June 30, 2023** **September 30, 2023**, the Company had cash and cash equivalents (including restricted cash) of **\$713,196** **\$313,500** compared to \$93,487 as of December 31, 2022.

Accounts Receivables

Accounts receivables are recognized and carried at the original invoice amount less allowance for any uncollectible amounts. An estimate for doubtful accounts is made when the collection of the total amount is no longer probable. Bad debts are written off as incurred.

Inventories

Inventories consist of raw materials and finished goods, stated at the lower of cost or market value. Finished goods are comprised of direct materials, direct labor, inbound shipping costs, and allocated overhead. The Company applies the weighted average cost method to its inventory.

Advances and Prepayments to Suppliers

The Company makes an advance payment to suppliers and vendors for the procurement of raw materials. Upon physical receipt and inspection of the raw materials from suppliers, the applicable amount is reclassified from advances and prepayments to suppliers to inventory.

Plant and Equipment

Plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided over their estimated useful lives, using the straight-line method. The Company typically applies a salvage value of 0% to 10%. The estimated useful lives of the plant and equipment are as follows:

| | |
|------------------------------|-------------|
| Buildings | 20-40 years |
| Landscaping, plant, and tree | 30 years |
| Machinery and equipment | 1-10 years |
| Motor vehicles | 5-10 years |
| Office equipment | 5-20 years |

The cost and related accumulated depreciation of assets sold or otherwise retired are eliminated from the accounts, and any gain or loss is included in the Company's results of operations. The costs of maintenance and repairs are recognized as incurred; significant renewals and betterments are capitalized.

Intangible Assets

Intangible assets are carried at cost less accumulated amortization. Amortization is provided over their useful lives, using the straight-line method. The estimated useful lives of the intangible assets are as follows:

| | |
|-------------------|----------|
| Land use rights | 50 years |
| Software licenses | 2 years |
| Trademarks | 10 years |

Construction in Progress and Prepayments for Equipment

Construction in progress and prepayments for equipment represent direct and indirect acquisition and construction costs for plants and fees of purchase and installation of related equipment. Amounts classified as construction in progress and prepayments for equipment are transferred to plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. Depreciation is not provided for assets classified in this account.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net identifiable assets acquired in a business combination. The Company conducts an annual assessment of its goodwill for impairment. If the carrying value of its goodwill exceeds its fair value, then impairment has been incurred; accordingly, a charge to the Company's operations results will be recognized during the period. Impairment losses on goodwill are not reversed. Fair value is generally determined using a discounted expected future cash flow analysis.

Accounting for the Impairment of Long-lived Assets

The Company annually reviews its long-lived assets for impairment or whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. Impairment may become obsolete from a difference in the industry, introduction of new technologies, or if the Company has inadequate working capital to utilize the long-lived assets to generate adequate profits. Impairment is present if the carrying amount of an asset is less than its expected future undiscounted cash flows.

If an asset is considered impaired, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the asset. Assets to be disposed of are reported lower the carrying amount or fair value fewer costs to selling.

Statutory Reserves

Statutory reserves refer to the amount appropriated from the net income following laws or regulations, which can be used to recover losses and increase capital, as approved, and are to be used to expand production or operations. PRC laws prescribe that an enterprise operating at a profit must appropriate and reserve, on an annual basis, an amount equal to 10% of its profit. Such an appropriation is necessary until the reserve reaches a maximum equal to 50% of the enterprise's PRC registered capital.

Foreign Currency Translation

The accompanying financial statements are presented in United States dollars. The functional currency of the Company is the Renminbi (RMB). The Company's assets and liabilities are translated into United States dollars from RMB at year-end exchange rates. Its revenues and expenses are translated at the average exchange rate during the period. Capital accounts are translated at their historical exchange rates when the capital transactions occurred.

| | 06/30/2023 | 12/31/2022 | 06/30/2022 | 09/30/2023 | 12/31/2022 | 09/30/2022 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Period-end US\$: CAD\$ exchange rate | 1.3205 | 1.3554 | 1.2892 | 1.3406 | 1.3554 | 1.3631 |
| Period-end US\$: RMB exchange rate | 7.2258 | 6.9646 | 6.7114 | 7.1798 | 6.9646 | 7.0998 |
| Period-end US\$: HK exchange rate | 7.8373 | 7.7967 | 7.8464 | 7.8243 | 7.7967 | 7.8499 |
| Period average US\$: CAD\$ exchange rate | 1.348 | 1.3012 | 1.2719 | 1.3415 | 1.3012 | 1.2831 |
| Period average US\$: RMB exchange rate | 6.9291 | 6.7261 | 6.4835 | 7.0148 | 6.7261 | 6.6068 |
| Period average US\$: HK exchange rate | 7.8387 | 7.831 | 7.8254 | 7.8335 | 7.831 | 7.8347 |

The RMB is not freely convertible into foreign currencies, and all foreign exchange transactions must be conducted through authorized financial institutions.

Revenue Recognition

The Company adopted ASC 606 "Revenue Recognition." It recognizes revenue when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Company expect to be entitled to in exchange for those goods or services.

The Company derives its revenues from selling explosion-proof skid-mounted refueling device, SF double-layer buried oil storage tank, high-grade synthetic fuel products, industrial formaldehyde solution, urea-formaldehyde pre-condensate (UFC), methylal, urea-formaldehyde glue for environment-friendly artificial board chemicals, food products like frozen fruits, beef & mutton products and vegetables and tea products. The Company applies the following five steps to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to performance obligations in the contract; and;
- Recognize revenue as the performance obligation is satisfied.

Advertising

All advertising costs are expensed as incurred.

Shipping and Handling

All outbound shipping and handling costs are expensed as incurred.

Research and Development

All research and development costs are expensed as incurred.

Retirement Benefits

Retirement benefits in the form of mandatory government-sponsored defined contribution plans are charged to either expense as incurred or allocated to inventory as part of overhead.

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Stock-Based Compensation

The Company records stock compensation expense for employees at fair value on the grant date and recognizes the expense one time because there is no employee's requisite service period requirement.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes under FASB ASC 740, "Income Taxes", accounts for income tax using an asset and liability approach and recognizes deferred tax benefits in future years. Under the asset and liability approach, deferred taxes are provided for the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is provided for deferred tax assets. If it is more likely than not, these items will either expire before the Company can realize their benefits or uncertain future realization.

Comprehensive Income

The Company uses Financial Accounting Standards Board ("FASB") ASC Topic 220, "Reporting Comprehensive Income." Comprehensive income is comprised of net income and all changes to the statements of stockholders' equity, except the changes in paid-in capital and distributions to stockholders due to investments by stockholders.

Net Loss per Share of Common Stock

The Company computes earnings per share ("EPS") following ASC Topic 260, "Earnings per share." Basic EPS is measured as the income or loss available to common shareholders divided by the weighted average common shares outstanding for the period. Diluted EPS presents the dilutive effect on a per-share basis from the potential conversion of convertible securities or the exercise of options and or warrants; the dilutive impacts of potentially convertible securities are calculated using the as-if method; the potentially dilutive effect of options or warrants are computed using the treasury stock method. Potentially anti-dilutive securities (i.e., those that increase income per share or decrease loss per share) are excluded from diluted EPS calculation.

Fair Value Measurement

The Company's financial instruments, including cash and equivalents, accounts and other receivables, accounts and other payables, accrued liabilities, and short-term debt, have carrying amounts that approximate their fair values due to their short maturities. ASC Topic 820, "Fair Value Measurements and Disclosures," requires disclosing the Company's fair value of financial instruments. ASC Topic 825, "Financial Instruments," defines fair value and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities qualify as financial instruments and are a reasonable estimate of their fair values because of the short period between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

- Level 1 - inputs to the valuation methodology used quoted prices for identical assets or liabilities in active markets.
- Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and information that are observable for the asset or liability, either directly or indirectly, for substantially the financial instrument's full term.
- Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Long-term Investments

Investments in entities over which the Company does not have significant influence are recorded as equity investments and are accounted for either at fair value with any changes recognized in net income, or for those without readily determinable fair values, at cost less impairment, adjusted for subsequent observable price changes. Under the equity method, the Company's share of the post-acquisition profits or losses of equity investments is recognized in the Company's unaudited condensed consolidated statements of comprehensive income; and the Company's share of post-acquisition movements in equity is recognized in equity in the Company's condensed consolidated balance sheets. Unrealized gains on transactions between the Company and an entity in which the Company has recorded an equity investment are eliminated to the extent of the Company's interest in the entity. To the extent of the Company's interest in the investment, unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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Commitments and Contingencies

From time to time, the Company is a party to various legal actions arising in the ordinary course of business. The majority of these claims and proceedings related to or arise from commercial disputes. The Company first determine whether a loss from a claim is probable, and if it is reasonable to estimate the potential loss. The Company accrues costs associated with these matters when they become probable, and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Also, the Company disclose a range of possible losses, if a loss from a claim is probable but the amount of loss cannot be reasonably estimated, which is in line with the applicable requirements of Accounting Standard Codification 450. The Company's management does not expect any liability from the disposition of such claims and litigation individually or in the aggregate would have a material adverse impact on the Company's consolidated financial position, results of operations and cash flows.

Recent Accounting Pronouncements,

In February 2018, the FASB issued ASU 2018-02, which allows a reclassification from accumulated other comprehensive income to retained earnings for adjustments to tax effects that were originally recorded in other comprehensive income due to changes in the U.S. federal corporate income tax rate resulting from the enactment of the U.S. tax reform legislation, commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act. The Company does not expect this guidance will have a material impact on its consolidated financial statements.

On June 20, 2018, the FASB issued ASU No. 2018-07, Compensation—Stock Compensation (Topic 718) - Improvements to Nonemployee Share-Based Payment Accounting, which aligns the accounting for share-based payment awards issued to employees and nonemployees. Under ASU No. 2018-07, the existing employee guidance will apply to nonemployee share-based transactions (as long as the transaction is not effectively a form of financing), with the exception of specific guidance related to the attribution of compensation cost. The cost of nonemployee awards will continue to be recorded as if the grantor had paid cash for the goods or services. In addition, the contractual term will be able to be used in lieu of an expected term in the option-pricing model for nonemployee awards. The new standard is effective for us on January 1, 2019. Early adoption is permitted, including in interim periods, and should be applied to all new awards granted after the date of adoption. The Company does not expect this guidance will have a material impact on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820), – Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement," which makes several changes meant to add, modify or remove specific disclosure requirements associated with the movement amongst or hierarchy associated with Level 1, Level 2 and Level 3 fair value measurements. The amendments in this Update modify the disclosure requirements on fair value measurements based on the concepts in FASB Concepts Statement, Conceptual Framework for Financial Reporting—Chapter 8: Notes to Financial Statements, including the consideration of costs and benefits. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. The modifications are effective for all entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years, with early adoption permitted. The Company does not believe the adoption of this ASU would have a material effect on the Company's condensed financial statements.

In May 2019, the FASB issued ASU 2019-05, which is an update to ASU Update No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which introduced the expected credit losses methodology for the measurement of credit losses on financial assets measured at amortized cost basis, replacing the previous incurred loss methodology. The amendments in Update 2016-13 added Topic 326, Financial Instruments—Credit Losses, and made several consequential amendments to the Codification. Update 2016-13 also modified the accounting for available-for-sale debt securities, which must be individually assessed for credit losses when fair value is less than the amortized cost basis, in accordance with Subtopic 326-30, Financial Instruments— Credit Losses—Available-for-Sale Debt Securities. The amendments in this Update address those stakeholders' concerns by providing an option to irrevocably elect the fair value option for certain financial assets previously measured at amortized cost basis. For those entities, the targeted transition relief will increase comparability of financial statement information by providing an option to align measurement methodologies for similar financial assets. Furthermore, the targeted transition relief also may reduce the costs for some entities to comply with the amendments in Update 2016-13 while still providing financial statement users with decision-useful information. ASU 2019-05 is effective for the Company for annual and interim reporting periods beginning January 1st, 2020. The Company adopted this guidance on January 1, 2023. The adoption did not have significant impact on the Company's unaudited condensed consolidated financial statements.

In August 2021, the FASB issued ASU 2021-08, which requires entities to apply ASC 606 to recognize and measure contract assets and contract liabilities in a business combination. The amendments also improve comparability after the business combination by providing consistent recognition and measurement guidance for revenue contracts with customers acquired in a business combination and revenue contracts with customers not acquired in a business combination. The adoption did not have significant impact on the Company's unaudited condensed consolidated financial statements.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future financial statements.

3. Variable Interest Entity ("VIE")

A VIE is an entity that has either a total equity investment that is insufficient to permit the entity to finance its activities without additional subordinated financial support or whose equity investors lack the characteristics of a controlling financial interest, such as through voting rights, right to receive the expected residual returns of the entity or obligation to absorb the expected losses of the entity. If any, the variable interest holder with a controlling financial interest in a VIE is deemed the primary beneficiary and must consolidate the VIE. PLAG WFOE is deemed to have the controlling financial interest and be the primary beneficiary of Jilin Chuangyuan Chemical Co., Ltd. because it has both of the following characteristics:

- 1) The power to direct activities at Jilin Chuangyuan Chemical Co., Ltd. that most significantly impact such entity's economic performance, and

1) The power to direct activities at Jilin Chuangyuan Chemical Co., Ltd that most significantly impact such entity's economic performance, and

- 2) The obligation to absorb losses and the right to receive benefits from Jilin Chuangyuan Chemical Co., Ltd. that could potentially be significant to such entity. Under the Contractual Arrangements, Jilin Chuangyuan Chemical Co., Ltd. pay service fees equal to all of its net income to PLAG WFOE. At the same time, PLAG WFOE is obligated to absorb all of the Jilin Chuangyuan Chemical Co., Ltd.'s losses. The Contractual Arrangements are designed to operate Jilin Chuangyuan Chemical Co., Ltd. for the benefit of PLAG WFOE and ultimately, the Company. Accordingly, the accounts of Jilin Chuangyuan Chemical Co., Ltd. are consolidated in the accompanying consolidated financial statements. In addition, those financial positions and results of operations are included in the Company's consolidated financial statements.

2) The obligation to absorb losses and the right to receive benefits from Jilin Chuangyuan Chemical Co., Ltd. that could potentially be significant to such entity. Under the Contractual Arrangements, Jilin Chuangyuan Chemical Co., Ltd. pay service fees equal to all of its net income to PLAG WFOE. At the same time, PLAG WFOE is obligated to absorb all of the Jilin Chuangyuan Chemical Co., Ltd.'s losses. The Contractual Arrangements are designed to operate Jilin Chuangyuan Chemical Co., Ltd. for the benefit of PLAG WFOE and ultimately, the Company. Accordingly, the accounts of Jilin Chuangyuan Chemical Co., Ltd. are consolidated in the accompanying consolidated financial statements. In addition, those financial positions and results of operations are included in the Company's consolidated financial statements.

The carrying amount of VIE's consolidated assets and liabilities are as follows:

| | <u>6/30/2023</u> | <u>12/31/2022</u> | <u>9/30/2023</u> | <u>12/31/2022</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 102,540 | \$ 39,815 | \$ 16,558 | \$ 39,815 |
| Accounts receivable, net | 643,704 | 730,341 | 306,023 | 730,341 |
| Inventories | 600,538 | 947,466 | 734,503 | 947,466 |
| Advances to suppliers | 300,332 | 187,708 | 411,086 | 187,708 |
| Other receivables | 60,193 | 65,531 | 63,752 | 65,531 |
| Inter company receivable | <u>1,522,323</u> | <u>1,579,416</u> | | |
| Inter-company receivable | | | 1,532,076 | 1,579,416 |
| Prepaid expenses | | | 8,120 | - |
| Total current assets | <u>3,229,630</u> | <u>3,550,277</u> | <u>3,072,118</u> | <u>3,550,277</u> |
| Non-current assets | | | | |
| Plant and equipment, net | 8,278,361 | 9,115,598 | 8,109,038 | 9,115,598 |
| Intangible assets, net | 1,839,957 | 1,932,386 | 1,840,385 | 1,932,386 |
| Construction in progress, net | 20,205 | 20,963 | 20,335 | 20,963 |
| Total non-current assets | <u>10,138,523</u> | <u>11,068,947</u> | <u>9,969,758</u> | <u>11,068,947</u> |
| Total assets | <u>\$ 13,368,153</u> | <u>\$ 14,619,224</u> | <u>\$ 13,041,876</u> | <u>\$ 14,619,224</u> |
| Liabilities and Stockholders' Equity | | | | |
| Current liabilities | | | | |
| Short-term bank loans | \$ 3,459,825 | \$ 3,589,582 | \$ 3,481,991 | \$ 3,589,582 |
| Accounts payable | 435,323 | 540,371 | 590,899 | 540,371 |
| Advance from customers | 15,613 | 14,395 | 126,156 | 14,395 |
| Taxes payable | 8,360 | 18,005 | (2,050) | 18,005 |
| Other payables and accrued liabilities | 3,238,256 | 2,590,572 | 3,096,230 | 2,590,572 |
| Intercompany Payable | 2,971,380 | 3,082,819 | 2,990,418 | 3,082,819 |
| Other payables-related parties | 1,286,262 | 1,535,974 | 1,409,981 | 1,535,974 |
| Long term payable-current portion | 197,517 | 287,167 | 179,280 | 287,167 |
| Deferred income | 28,371 | 37,332 | 24,722 | 37,332 |
| Total current liabilities | <u>11,640,907</u> | <u>11,696,217</u> | <u>11,897,627</u> | <u>11,696,217</u> |
| Non-current liabilities | | | | |
| Long-term payables | 276,786 | 244,245 | 278,559 | 244,245 |
| Total non-current liabilities | <u>276,786</u> | <u>244,245</u> | <u>278,559</u> | <u>244,245</u> |
| Total Liabilities | <u>11,917,693</u> | <u>11,940,462</u> | <u>12,176,186</u> | <u>11,940,462</u> |
| Paid-in capital | 9,280,493 | 9,280,493 | 9,280,493 | 9,280,493 |
| Statutory Reserve | 29,006 | 29,006 | 29,006 | 29,006 |

| | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Accumulated deficit | (6,955,808) | (5,775,895) | (7,549,428) | (5,775,895) |
| Accumulated other comprehensive income | (903,231) | (854,842) | (894,381) | (854,842) |
| Total stockholders' equity | <u>1,450,460</u> | <u>2,678,762</u> | <u>865,6690</u> | <u>2,678,762</u> |
| Total liabilities and stockholders' equity | <u>\$ 13,368,153</u> | <u>\$ 14,619,224</u> | <u>\$ 13,041,876</u> | <u>\$ 14,619,224</u> |

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The summarized operating results of the VIE's are as follows:

| | 06/30/2023 | 06/30/2022 | 09/30/2023 | 09/30/2022 |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| Operating revenues | \$ 4,286,828 | \$ 8,091,841 | \$ 6,230,097 | \$ 12,579,725 |
| Gross profit | (142,868) | 1,483,992 | (77,816) | 1,931,426 |
| Income (loss) from operations | (1,179,913) | (194,189) | (1,773,533) | (1,053,978) |
| Net income (loss) | (1,179,913) | (384,035) | (1,773,533) | (1,399,778) |

4. Business Combination

Acquisition of Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd.

On January 4, 2021, Planet Green Holdings Corporation (Nevada) and its wholly-owned subsidiary Jiayi Technologies (Xianning) Co., Ltd., formerly known as Lucky Sky Petrochemical Technology (Xianning) Co., Ltd., entered into a series of VIE agreements with Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd. and its equity holders to obtain control and become the primary beneficiary of Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd. The Company consolidated Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd.'s accounts as its VIE. According to the VIE agreements, Planet Green Holdings Corporation (Nevada) issued an aggregate of 2,200,000 shares of common stock of the Company to the equity holders of Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd. in exchange for the transfer of 85% of the equity interest of Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd to the Jiayi Technologies (Xianning) Co., Ltd.

The Company's acquisition of Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd. was accounted for as a business combination following ASC 805. The Company has allocated the purchase price of Jingshan Sanhe based upon the fair value of the identifiable assets acquired and liabilities assumed on the acquisition date. The Company estimated the fair values of the assets acquired and liabilities taken at the acquisition date following the business combination standard issued by the FASB with the valuation methodologies using level 3 inputs, except for other current assets and current liabilities were valued using the cost approach. Management of the Company is responsible for determining the fair value of assets acquired, liabilities assumed, and intangible assets identified as the acquisition date and considering several other available factors. Acquisition-related costs incurred for the acquisitions are not material and expensed as incurred in general and administrative expenses.

The following table summarizes the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, which represents the net purchase price allocation at the date of the acquisition of Jingshan Sanhe Luckysky New Energy Technologies Co., Ltd.:

| | |
|-----------------------------------|--------------|
| Total consideration at fair value | \$ 4,730,000 |
| Fair Value | |
| Cash | \$ 114,162 |
| Accounts receivable, net | - |
| Inventories, net | 584,119 |
| Advances to suppliers | 1,104,705 |
| Other receivables | 536,090 |
| Right-of-use assets | 1,044,933 |
| Plant and equipment, net | 3,867,906 |
| Deferred tax assets | 281,243 |
| Goodwill | 923,313 |
| Total assets | \$ 8,456,471 |
| Short-term loan – bank | (440,522) |
| Lease payable-current portion | (406,376) |

| | |
|--|---------------------|
| Accounts payable | (715,019) |
| Advance from customers | (627,128) |
| Other payables and accrued liabilities | (50,085) |
| Lease payable-non current portion | (818,446) |
| Income taxes payable | (217) |
| Total liabilities | (3,057,793) |
| Noncontrolling interest | (668,678) |
| Net assets acquired | <u>\$ 4,730,000</u> |
| Total consideration at fair value | <u>\$ 4,730,000</u> |
| | Fair Value |
| Cash | \$ 114,162 |
| Accounts receivable, net | - |
| Inventories, net | 584,119 |
| Advances to suppliers | 1,104,705 |
| Other receivables | 536,090 |
| Right-of-use assets | 1,044,933 |
| Plant and equipment, net | 3,867,906 |
| Deferred tax assets | 281,243 |
| Goodwill | 923,313 |
| Total assets | <u>\$ 8,456,471</u> |
| Short-term loan – bank | (440,522) |
| Lease payable-current portion | (406,376) |
| Accounts payable | (715,019) |
| Advance from customers | (627,128) |
| Other payables and accrued liabilities | (50,085) |
| Lease payable-non current portion | (818,446) |
| Income taxes payable | (217) |
| Total liabilities | (3,057,793) |
| Noncontrolling interest | (668,678) |
| Net assets acquired | <u>\$ 4,730,000</u> |

Approximately \$0.92 million of goodwill arising from the acquisition consists mainly of synergies expected from combining the operations of the Company and Jingshan Sanhe. None of the goodwill is expected to be deductible for income tax purposes.

Acquisition of Jilin Chuangyuan Chemical Co., Ltd.

On March 9, 2021, the Company and its wholly-owned subsidiary Jiayi Technologies (Xianning) Co., Ltd., formerly known as Lucky Sky Petrochemical Technology (Xianning) Co., Ltd., entered into a series of VIE agreements with Jilin Chuangyuan Chemical Co., Ltd and its equity holders to obtain control and become the primary beneficiary of Jilin Chuangyuan Chemical Co., Ltd. The Company consolidated Jilin Chuangyuan Chemical Co., Ltd's accounts as its VIE. Under the VIE agreements, the Company issued an aggregate of 3,300,000 shares of common stock of the Company to the equity holders of Jilin Chuangyuan Chemical Co., Ltd in exchange for the transfer of 75% of the equity interest of Jilin Chuangyuan Chemical Co., Ltd to the Jiayi Technologies (Xianning) Co., Ltd. The significant terms of these VIE agreements are summarized in "Note 2 - Summary of Significant Accounting Policies" above.

The Company's acquisition of Jilin Chuangyuan Chemical Co., Ltd. was accounted for as a business combination following ASC 805. The Company has allocated the purchase price of Jilin Chuangyuan based upon the fair value of the identifiable assets acquired and liabilities assumed on the acquisition date. The Company estimated the fair values of the assets acquired and liabilities taken at the acquisition date following the business combination standard issued by the FASB with the valuation methodologies using level 3 inputs, except for other current assets and current liabilities were valued using the cost approach. Management of the Company is responsible for determining the fair value of assets acquired, liabilities assumed, and intangible assets identified as of the acquisition date and considering several other available factors. Acquisition-related costs incurred for the acquisitions are not material and expensed as incurred in general and administrative expenses.

The following table summarizes the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, which represents the net purchase price allocation at the date of the acquisition of Jilin Chuangyuan Chemical Co., Ltd.

| | Fair Value |
|--|----------------------|
| Cash | \$ 95,237 |
| Accounts receivable, net | 868,874 |
| Inventories, net | 581,569 |
| Advances to suppliers | 388,349 |
| Other receivables | 123,969 |
| Other receivables-RP | 212,594 |
| Plant and equipment, net | 11,109,220 |
| Intangible assets, net | 2,149,910 |
| Deferred tax assets | 415,154 |
| Goodwill | 3,191,897 |
| Total assets | \$ 19,136,773 |
| | |
| Short-term loan – bank | (3,826,934) |
| Long term payable | (1,162,355) |
| Accounts payable | (575,495) |
| Advance from customers | (291,655) |
| Other payables and accrued liabilities | (2,815,356) |
| Other payables-RP | (765,387) |
| Income taxes payable | (1,073) |
| Total liabilities | (9,438,255) |
| Non controlling interest | (1,613,518) |
| Net assets acquired | \$ 8,085,000 |

Approximately \$3.19 million of goodwill arising from the acquisition consists mainly of synergies expected from combining the operations of the Company and Jilin Chuangyuan Chemical Co., Ltd. None of the goodwill is expected to be deductible for income tax purposes.

Acquisition of Shandong Yunchu Trading Co., Ltd.

On December 9, 2021, the Company and its wholly-owned subsidiary Jiayi Technologies (Xianning) Co., Ltd., formerly known as Lucky Sky Petrochemical Technology (Xianning) Co., Ltd., entered into a Share Exchange Agreement with Shandong Yunchu Supply Chain Co., Ltd., and each of shareholders of Shandong Yunchu Supply Chain Co., Ltd. The Company issued an aggregate of 5,900,000 shares of common stock to the equity holders of Shandong Yunchu Supply Chain Co., Ltd. for the transfer to 100% of the equity interest of Shandong Yunchu Supply Chain Co., Ltd. to the Jiayi Technologies (Xianning) Co., Ltd.

The Company's acquisition of Shandong Yunchu Supply Chain Co., Ltd. was accounted for as a business combination following ASC 805. The Company has allocated the purchase price of Shandong Yunchu Supply Chain Co., Ltd. based upon the fair value of the identifiable assets acquired and liabilities assumed on the acquisition date. The Company estimated the fair values of the assets acquired and liabilities taken at the acquisition date following the business combination standard issued by the FASB with the valuation methodologies using level 3 inputs, except for other current assets and current liabilities were valued using the cost approach. Management of the Company is responsible for determining the fair value of assets acquired, liabilities assumed, and intangible assets identified as of the acquisition date and considered several other available factors. Acquisition-related costs incurred for the acquisitions are not material and expensed as incurred in general and administrative expenses.

The following table summarizes the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, which represents the net purchase price allocation at the date of the acquisition of Shandong Yunchu Supply Chain Co., Ltd.:

| | Fair Value |
|--|----------------------|
| Cash and cash equivalents, and Restricted Cash | \$ 77,427 |
| Trade receivable and Note receivable | 780,556 |
| Inventories | - |
| Related party receivable | 86,448 |
| Other current assets | 4,899,559 |
| Plant and equipment, net | - |
| Intangible assets, net | - |
| Goodwill | 4,724,698 |
| Total assets | \$ 10,568,688 |
| Short-term loan-bank | - |
| Related party payable | - |
| Accounts payable | (992,424) |
| Other current liabilities | (4,155,344) |
| Total liabilities | (5,147,768) |
| Non-controlling interest | - |
| Net assets acquired | \$ 5,420,920 |

Approximately \$4.72 million of goodwill arising from the acquisition consists mainly of synergies expected from combining the operations of the Company and Shandong Yunchu Supply Chain Co., Ltd. None of the goodwill is expected to be deductible for income tax purposes.

Acquisition of Anhui Ansheng Petrochemical Equipment Co., Ltd.

On July 15, 2021, the Company and its wholly-owned subsidiary Jiayi Technologies (Xianning) Co., Ltd., formerly known as Lucky Sky Petrochemical Technology (Xianning) Co., Ltd., entered into a series of VIE agreements with Anhui Ansheng Petrochemical Equipment Co., Ltd and its equity holders to obtain control and become the primary beneficiary of Anhui Ansheng Petrochemical Equipment Co., Ltd. The Company consolidated Anhui Ansheng Petrochemical Equipment Co., Ltd.'s accounts as its VIE. Under the VIE agreements, the Company issued an aggregate of 4,800,000 shares of common stock of the Company to the equity holders of Anhui Ansheng Petrochemical Equipment Co., Ltd. in exchange for the transfer of 66% of the equity interest of Anhui Ansheng Petrochemical Equipment Co., Ltd. to the Jiayi Technologies (Xianning) Co., Ltd. The significant terms of these VIE agreements are summarized in "Note 2 - Summary of Significant Accounting Policies" above.

The Company's acquisition of Anhui Ansheng Petrochemical Equipment Co., Ltd. was accounted for as a business combination following ASC 805. The Company has allocated the purchase price of Anhui Ansheng Petrochemical Equipment Co., Ltd. based upon the fair value of the identifiable assets acquired and liabilities assumed on the acquisition date. The Company estimated the fair values of the assets acquired and liabilities taken at the acquisition date following the business combination standard issued by the FASB with the valuation methodologies using level 3 inputs, except for other current assets and current liabilities were valued using the cost approach. Management of the Company is responsible for determining the fair value of assets acquired, liabilities assumed, and intangible assets identified as of the acquisition date and considered several other available factors. Acquisition-related costs incurred for the acquisitions are not material and expensed as incurred in general and administrative expenses.

The following table summarizes the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, which represents the net purchase price allocation at the date of the acquisition of Anhui Ansheng Petrochemical Equipment Co., Ltd.

| | Fair Value |
|--|----------------------|
| Total consideration at fair value | \$ 7,926,000 |
| Cash and cash equivalents, and Restricted Cash | \$ 288,122 |
| Trade receivable and Note receivable | 944,704 |
| Inventories | 3,236,008 |
| Related party receivable | 2,500,117 |
| Other current assets | 1,393,817 |
| Plant and equipment, net | 4,036,649 |
| Intangible assets, net | 635,738 |
| Goodwill | <u>10,263,937</u> |
| Total assets | <u>\$ 23,299,092</u> |
| Short-term loan-bank | (3,735,614) |
| Related party payable | (2,639,938) |
| Accounts payable | (1,966,099) |
| Other current liabilities | (3,902,896) |
| Total liabilities | <u>(12,244,547)</u> |
| Non controlling interest | (3,758,545) |
| Net assets acquired | <u>\$ 7,296,000</u> |
| Total consideration at fair value | <u>\$ 7,926,000</u> |
| | Fair Value |
| Cash and cash equivalents, and Restricted Cash | \$ 288,122 |
| Trade receivable and Note receivable | 944,704 |
| Inventories | 3,236,008 |
| Related party receivable | 2,500,117 |
| Other current assets | 1,393,817 |
| Plant and equipment, net | 4,036,649 |
| Intangible assets, net | 635,738 |
| Goodwill | <u>10,263,937</u> |

| | |
|---------------------------|---------------|
| Total assets | \$ 23,299,092 |
| Short-term loan-bank | (3,735,614) |
| Related party payable | (2,639,938) |
| Accounts payable | (1,966,099) |
| Other current liabilities | (3,902,896) |
| Total liabilities | (12,244,547) |
| Non controlling interest | (3,758,545) |
| Net assets acquired | \$ 7,296,000 |

Approximately \$10.26 million of goodwill arising from the acquisition consists mainly of synergies expected from combining the operations of the Company and Anhui Ansheng Petrochemical Equipment Co., Ltd. None of the goodwill is expected to be deductible for income tax purposes.

On December 12, 2022, the Company disposed of the interest held of Anhui Ansheng Petrochemical Equipment Co., Ltd.

Acquisition of Allinnyson Ltd.

On April 8, 2022, Planet Green Holdings Corp. (the "Company") entered into a Share Exchange Agreement (the "Share Exchange Agreement") with Allinnyson Ltd., and each of shareholders of Allinnyson Ltd. The Company issued an aggregate of 7,500,000 shares of common stock to the equity holders of Allinnyson Ltd. for the transfer to 100% of the equity interest of Allinnyson Ltd. to the Company.

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The Company's acquisition of Allinynson Ltd. was accounted for as a business combination following ASC 805. The Company has allocated the purchase price of Allinynson Ltd. based upon the fair value of the identifiable assets acquired and liabilities assumed on the acquisition date. The Company estimated the fair values of the assets acquired and liabilities taken at the acquisition date following the business combination standard issued by the FASB with the valuation methodologies using level 3 inputs, except for other current assets and current liabilities were valued using the cost approach. Management of the Company is responsible for determining the fair value of assets acquired, liabilities assumed, and intangible assets identified as of the acquisition date and considered several other available factors. Acquisition-related costs incurred for the acquisitions are not material and expensed as incurred in general and administrative expenses.

The following table summarizes the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, which represents the net purchase price allocation at the date of the acquisition of Allinynson Ltd.

| | |
|--|---------------------|
| Total consideration at fair value | \$ 7,429,500 |
| | Fair Value |
| Cash and cash equivalents, and Restricted Cash | \$ 246,322 |
| Trade receivable and Note receivable | 372,538 |
| Goodwill | <u>7,193,965</u> |
| Total assets | <u>\$ 7,812,825</u> |
| Related party payable | (73,623) |
| Accounts payable | (273,000) |
| Other current liabilities | (36,702) |
| Total liabilities | <u>(383,325)</u> |
| Net assets acquired | <u>\$ 7,429,500</u> |
| Total consideration at fair value | \$ 7,429,500 |
| | Fair Value |
| Cash and cash equivalents, and Restricted Cash | \$ 246,322 |
| Trade receivable and Note receivable | 372,538 |
| Goodwill | <u>7,193,965</u> |
| Total assets | <u>\$ 7,812,825</u> |
| Related party payable | (73,623) |
| Accounts payable | (273,000) |
| Other current liabilities | (36,702) |
| Total liabilities | <u>(383,325)</u> |
| Net assets acquired | <u>\$ 7,429,500</u> |

Approximately \$7.19 million of goodwill arising from the acquisition consists mainly of synergies expected from combining the operations of the Company and Allinynson Ltd. None of the goodwill is expected to be deductible for income tax purposes.

5. Account Receivable, Net

5. Account Receivable, Net

The Company extends credit terms of 15 to 60 days to the majority of its domestic customers, which include third-party distributors, supermarkets, and wholesalers

| | 06/30/2023 | 12/31/2022 | 09/30/2023 | 12/31/2022 |
|--|---------------------|---------------------|---------------------|---------------------|
| Trade accounts receivable | \$ 3,202,014 | \$ 3,362,939 | \$ 3,126,670 | \$ 3,362,939 |
| <i>Less: Allowance for doubtful accounts</i> | (353,060) | (366,301) | (355,323) | (366,301) |
| | <u>\$ 2,848,954</u> | <u>\$ 2,996,638</u> | <u>\$ 2,771,347</u> | <u>\$ 2,996,638</u> |
| Allowance for doubtful accounts | | | | |
| Beginning balance: | (366,301) | (1,662,516) | (366,301) | (1,662,516) |
| Additions to allowance | - | (64,899) | 10,978 | (64,899) |
| Bad debt written-off | 13,241 | 1,361,114 | - | 1,361,114 |
| Ending balance | <u>\$ (353,060)</u> | <u>\$ (366,301)</u> | <u>\$ (355,323)</u> | <u>\$ (366,301)</u> |

6.

6. Advances and Prepayments to Suppliers

Prepayments include advance payment to suppliers and vendors to procure raw materials. Prepayments consist of the following:

| | 06/30/2023 | 12/31/2022 |
|----------------------------------|-------------------|-------------------|
| Payment to suppliers and vendors | \$ 8,338,014 | 5,417,449 |

| | 09/30/2023 | 12/31/2022 |
|----------------------------------|-------------------|-------------------|
| Payment to suppliers and vendors | \$ 8,314,422 | 5,417,449 |

7. Inventories

7. Inventories

Inventories consisted of the following as of **June 30, 2023** **September 30, 2023** and **December 31, 2022**

| | 06/30/2023 | 12/31/2022 | 09/30/2023 | 12/31/2022 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| Raw materials | \$ 1,788,960 | \$ 1,965,389 | \$ 1,799,788 | \$ 1,965,389 |
| Inventory of supplies | - | - | - | - |
| Work in progress | 1,365,967 | 1,455,229 | 1,376,908 | 1,455,229 |
| Finished goods | 693,176 | 932,261 | 2,093,208 | 932,261 |
| Allowance for inventory reserve | (191,999) | (199,199) | (193,229) | (199,199) |
| Total | \$ 3,656,104 | \$ 4,153,680 | \$ 5,076,675 | \$ 4,153,680 |

8. Plant and Equipment

Plant and equipment consisted of the following as of June 30, 2023 September 30, 2023 and December 31, 2022:

| | 06/30/2023 | 12/31/2022 | 09/30/2023 | 12/31/2022 |
|---------------------------------------|---------------|---------------|---------------|---------------|
| At Cost: | | | | |
| Buildings | \$ 19,211,285 | \$ 19,924,811 | \$ 19,339,471 | \$ 19,924,811 |
| Machinery and equipment | 10,924,467 | 11,322,085 | 11,024,151 | 11,322,085 |
| Office equipment | 739,710 | 765,413 | 747,349 | 765,413 |
| Motor vehicles | 1,412,259 | 1,465,225 | 1,421,308 | 1,465,225 |
| | 32,287,721 | 33,477,534 | 32,532,279 | 33,477,534 |
| <u>Less: Impairment</u> | (731,758) | (759,201) | | |
| <u>Less: Accumulated depreciation</u> | (10,779,465) | (10,149,207) | | |
| <u>Less: Impairment</u> | | | (736,446) | (759,201) |
| <u>Less: Accumulated depreciation</u> | | | (11,341,936) | (10,149,207) |
| Construction in progress | 20,776,498 | 22,569,125 | 20,453,897 | 22,569,125 |
| | 43,344 | 33,260 | 43,622 | 33,260 |
| | \$ 20,819,842 | \$ 22,602,385 | \$ 20,497,519 | \$ 22,602,385 |

Depreciation expense for the six nine months ended June 30, 2023 September 30, 2023 and 2022 was \$630,258 \$1,531,932 and \$668,368, \$716,964, respectively.

9. Intangible Assets

9. Intangible Assets

At Cost:

| | 06/30/2023 | 12/31/2022 | 09/30/2023 | 12/31/2022 |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Land use rights | 2,941,428 | 3,051,744 | 2,960,275 | 3,051,744 |
| Software licenses | 68,218 | 67,464 | 67,534 | 67,464 |
| Trademark | 883,817 | 916,963 | 889,478 | 916,963 |
| | \$ 3,893,463 | \$ 4,036,171 | \$ 3,917,287 | \$ 4,036,171 |
| <u>Less: Accumulated amortization</u> | (1,026,314) | (966,000) | (1,076,641) | (966,000) |
| Net intangible assets | \$ 2,867,149 | \$ 3,070,171 | \$ 2,840,646 | \$ 3,070,171 |

Amortization expense for the six nine months ended June 30, 2023 September 30, 2023 and 2022 was \$60,314 \$140,790 and \$61,899 \$56,931 respectively.

10. Long-term Investment

10. Long-term Investment

The Company entered into an investment agreement with Xianning Xiangtian Energy Holdings Group Co., Ltd. to acquire 40% of the equity interests in the company, with total consideration of \$13.62 million, \$13.62 million, which was paid in 2022. The investment was accounted for under the equity method because the Company can exercise significant influence over the company as the investee but does not own a majority of the equity interests in or control the company. On June 27, 2023, the investment which the balance was \$13.62 million, \$13.62 million, was completely disposed of with a total consideration of \$2.77 million, \$2.77 million, resulting in the total loss of \$10.85 million, \$10.85 million.

In September 2019, the Company made an initial investment of \$2.91 million in return for a limited partner interest in Shandong Ningwei New Energy Technology Co., Ltd. The Company accounted for the investment using the cost method, as the investment did not have a readily determinable fair value.

As of June 30, 2023 September 30, 2023 and December 31, 2022, the balance of long term investment was \$2,767,860 \$2,785,593 and \$16,488,157.

11. Other Payable

11. Other Payable

As of June 30, 2023 September 30, 2023 and December 31, 2022, the balance of other payable was \$4,805,964 \$4,545,063 and \$4,412,833. Other payables – third parties are those non-trade payables arising from transactions between the Company and certain third parties.

12. Advance from Customer

12. Advance from Customer

For our operation, the proceeds received from sales are initially recorded as advances from customers, which was usually related to unsatisfied performance obligations at the end of an applicable reporting period. As of **June 30, 2023** **September 30, 2023**, and December 31, 2022, the outstanding balance of the advance from customers was **\$3,833,263** **\$4,677,016** and **\$2,624,070** respectively. Due to the generally short-term duration of the relevant contracts, most of the performance obligations are satisfied in the following reporting period.

13. Related Parties Transaction

13. Related Parties Transaction

As of **June 30, 2023** **September 30, 2023** and December 31, 2022, the outstanding balance due from related parties was **\$1,181,534** **\$769,427** and **\$180,578**, respectively. Significant related parties comprised much of the total outstanding balance as of **June 30, 2023** **September 30, 2023** are stated below:

The outstanding balance of **\$291,221** **\$293,087** was due from Mr. Chen Xing, the management of the Shandong Yunchu; The outstanding balance of **\$417,005** was due from Mr. Xiong Haiyan, the management of the Jingshan Sanhe;

The outstanding balance of **\$452,219** **\$455,117** was due from Mr. Bin Zhou, Chief Executive Officer and Chairman of the Company;

The outstanding balance of **\$21,088** **\$21,223** was due from Mr. Lu Jun, the management of the Jingshan Sanhe.

These above nontrade receivables arising from transactions between the Company and certain related parties, such as loans to these related parties. These loans are unsecured, non-interest bearing and due on demand.

As of **June 30, 2023** **September 30, 2023** and December 31, 2022, the outstanding balance due to related parties was **\$5,169,618** **\$6,357,043** and **\$4,282,841**, **\$4,412,833**, respectively. Significant parties comprised much of the total outstanding balance as of **June 30, 2023** **September 30, 2023** are stated below:

The outstanding balance of **\$1,177,733** **\$1,177,765** was due to Anhui Ansheng Petrochemical Equipment Co. Ltd., a former subsidiary of the company.

The outstanding balance of **\$950,760** **\$1,082,203** was due to Ms. Yan Yan, the spouse of the legal representative of Jilin Chuangyuan Chemical Co., Ltd.;

The outstanding balance of **\$854,649** **\$959,839** was due to Mr. Bin Zhou, Chief Executive Officer and Chairman of the Company;

The outstanding balance of **\$238,627** was due to Meihekou Chuangtai Chemical Co. Ltd., which has the same legal representative, Chen Yongsheng, as the subsidiary of Jilin Chuangyuan Chemical Co., Ltd.

The outstanding balance of **\$1,947,849** **\$1,143,507** was due to a couple of executives of the subsidiaries of the Company;

The balance was advanced for working capital of the Company, non-interest bearing, and unsecured unless further disclosed.

14. Goodwill

14. Goodwill

Goodwill represents the excess of the purchase price over the fair value of the identifiable assets and liabilities acquired as a result of the Company's acquisitions of interests in its subsidiaries and VIEs. If the carrying amount of the goodwill exceeds its implied fair market value, an impairment loss is recognized in an amount equal to that excess, not to exceed the carrying amount of the goodwill. The changes in the carrying amount of goodwill by entities are as follows:

| | <i>Ansheng</i> | <i>Baokuan</i> | <i>JLCY</i> | <i>SDYC</i> | <i>Ansheng</i> | <i>Baokuan</i> | <i>JLCY</i> | <i>SDYC</i> |
|---|----------------|----------------|--------------|--------------|----------------|----------------|--------------|--------------|
| Balance as of December 31, 2021 | \$ 1,026,337 | \$ - | \$ 3,191,897 | \$ 4,724,698 | \$ 1,026,337 | \$ - | \$ 3,191,897 | \$ 4,724,698 |
| Goodwill acquired | - | 7,193,965 | - | - | - | 7,193,965 | - | - |
| Goodwill impairment | - | (7,193,965) | (3,191,897) | - | - | (7,193,965) | (3,191,897) | - |
| Disposal of subsidiaries | (1,026,337) | - | - | - | (1,026,337) | - | - | - |
| Balance as of December 31, 2022 | \$ - | \$ - | \$ - | \$ 4,724,698 | \$ - | \$ - | \$ - | \$ 4,724,698 |
| Goodwill acquired | - | - | - | - | - | - | - | - |
| Goodwill impairment | - | - | - | - | - | - | - | - |
| Balance as of June 30, 2023 | \$ - | \$ - | \$ - | \$ 4,724,698 | \$ - | \$ - | \$ - | \$ 4,724,698 |
| Balance as of September 30, 2023 | | | | | \$ - | \$ - | \$ - | \$ 4,724,698 |

15. 15.**Bank Loans**

The outstanding balances on bank loans consisted of the following:

| Lender | Maturities | Weighted average interest rate | 06/30/2023 | | 12/31/2022 | | Maturities | interest rate | Weighted average | |
|---|----------------------|---|------------|------------|------------|------------|----------------------|---------------|---------------------|------------|
| | | | 06/30/2023 | 12/31/2022 | 09/30/2023 | 12/31/2022 | | | 09/30/2023 | 12/31/2022 |
| Rural Credit Cooperatives of Jilin Province, Jilin Branch | Due in November 2023 | 7.83% | 3,459,825 | 3,589,582 | | | Due in November 2023 | 7.83% | 3,481,991 | 3,589,582 |
| Tonghua Dongchang Yuyin Village Bank Co., LTD | | | | | | | Due in June 2025 | 8.00% | 278,559 | 287,167 |

Buildings and land use rights in the amount of \$10,178,520 are used as collateral for Jilin Jiling Branch. The short-term bank loan which is denominated in Renminbi was primarily obtained for general working capital.

The loan from Tonghua Dongchang Yuyin Village Bank, as a three-year long-term debt, was denominated in Renminbi and was primarily obtained for general working capital. On June 15, 2022, Mr. Chen Yongsheng and Mr. Cai Xiaodong pledged 28,465,000 stocks of Jilin Chuangyuan Chemical Co., Ltd. to the pledgee-Tonghua Dongchang Yuyin Village Bank. As the pledgee, Tonghua Dongchang Yuyin Village Bank shall have custody of these stocks, which accounted for approximately 71.43% of the total share during the entire Term of Pledge set forth in this Agreement. As of September 30, 2022, the Company completed the finance with equity in pledge.

Interest expense for the six nine months ended June 30, 2023 September 30, 2023 and 2022 was \$ 135,452 221,193 and \$208,280 \$488,331 respectively.

16. Equity**16. Equity**

As of December 31, 2021, there were 35,581,930 shares of common stock outstanding.

On January 13, 2022, the Company entered into a Securities Purchase Agreement, pursuant to which three individuals residing in the People's Republic of China agreed to purchase an aggregate of 7,000,000 shares of the Company's common stock, par value \$0.001 per share, for an aggregate purchase price of \$7,000,000, representing a purchase price of \$1.00 per Share.

On April 8, 2022, Planet Green Holdings Corporation (Nevada) issued an aggregate of 7,500,000 shares of common stock to the equity holders of Allinysen Ltd. for the acquisition of 100% of the equity interest of Allinysen Ltd.

On May 19, 2022, the Company entered into a Securities Purchase Agreement, pursuant to which two investors agreed to purchase an aggregate of 10,000,000 shares of the Company's common stock, par value \$0.001 per share, for an aggregate purchase price of \$4,100,000, representing a purchase price of \$0.41 per Share.

On July 20, 2022, the Company acquired 30% equity interest of the Xianning Xiangtian Energy Holdings Group Co., Ltd. and the Company issued 12,000,000 shares of common stock to the Sellers.

As of June 30, 2023 September 30, 2023, there were 72,081,930 shares of common stock outstanding.

17. Income Taxes

United States

On December 22, 2017, the "Tax Cuts and Jobs Act" (the "Act") was enacted. Under the provisions of the Act, the U.S. corporate tax rate decreased from 34% to 21%. As the Company has a December 31 fiscal year-end, the lower corporate income tax rate will be phased in, resulting in a U.S. statutory federal rate of 21% for the Company's fiscal year ending December 31, 2022 and 2021, respectively. Accordingly, the Company has remeasured the Company's deferred tax assets on net operating loss carryforwards ("NOLs") in the U.S. at the lower enacted cooperated tax rate of 21%. However, this remeasurement has no effect on the Company's income tax expenses as the Company has provided a 100% valuation allowance on its deferred tax assets previously.

Additionally, the Act imposes a one-time transition tax on deemed repatriation of historical earnings of foreign subsidiaries, and future foreign earnings are subject to U.S. taxation. The change in rate has caused the Company to remeasure all U.S. deferred income tax assets and liabilities for temporary differences and NOLs and recorded one time income tax payable to be paid in 8 years. However, this one-time transition tax has no effect on the Company's income tax expenses as the Company has no undistributed foreign earnings prior to December 31, 2022 September 30, 2023 which the Company has foreign cumulative losses at December 31, 2022 September 30, 2023.

British Virgin Islands

Planet Green Holdings Corporation BVI is incorporated in the British Virgin Islands and is not subject to tax on income or capital gains under current British Virgin Islands law. In addition, upon payments of dividends by these entities to their shareholders, no British Virgin Islands withholding tax will be imposed.

Hong Kong

Lucky Sky Planet Green Holdings Co., Limited (H.K.) is incorporated in Hong Kong and is subject to Hong Kong Profits Tax on the taxable income as reported in its statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. The applicable tax rate is 16.5% in Hong Kong. The Company did not make any provisions for Hong Kong profit tax as there were no assessable profits derived from or earned in Hong Kong since inception. Under Hong Kong tax law, Lucky Sky Planet Green Holdings Co., Limited (H.K.) is exempted from income tax on its foreign-derived income and there are no withholding taxes in Hong Kong on remittance of dividends.

PRC

The Company PRC subsidiaries and VIEs and their controlled entities are governed by the income tax laws of the PRC and the income tax provision in respect to operations in the PRC is calculated at the applicable tax rates on the taxable income for the periods based on existing legislation, interpretations and practices in respect thereof. Under the Enterprise Income Tax Laws of the PRC, Chinese enterprises are subject to income tax at a rate of 25% after appropriate tax adjustments.

Significant components of the income tax expense consisted of the following for the three months ended **June 30, 2023** **September 30, 2023** and 2022:

All of the Company's continuing operations are located in the PRC. The corporate income tax rate in the PRC is 25%.

The following tables provide the reconciliation of the differences between the statutory and effective tax expenses for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022:

| | 09/30/2023 | 09/30/2022 |
|---|-------------------------------|------------------------------|
| Loss attributed to PRC operations | \$ (3,203,789) | \$ (3,006,160) |
| Loss attributed to U.S. operations | (11,483,446) | (1,162,736) |
| Loss attributed to Canada operations | 35,235 | (277,383) |
| Income attributed to BVI & Hong Kong operations | - | (431,108) |
| Loss before tax | <u>\$ (14,652,000)</u> | <u>\$ (4,877,387)</u> |
| | | |
| PRC Statutory Tax at 25% Rate | (800,947) | (751,540) |
| Effect of tax exemption granted | - | - |
| Valuation allowance | 913,092 | 926,641 |
| Income tax | \$ 112,145 | \$ 175,101 |
| Per Share Effect of Tax Exemption | \$ - | \$ - |
| Effect of tax exemption granted | \$ - | \$ - |
| Weighted-Average Shares Outstanding Basic | 72,081,930 | 55,335,606 |
| Per share effect | <u>\$ -</u> | <u>\$ -</u> |

| | 06/30/2023 | 06/30/2022 |
|---|-------------------------------|------------------------------|
| Loss attributed to PRC operations | \$ (1,888,363) | \$ (1,237,271) |
| Loss attributed to U.S. operations | (11,560,992) | (749,058) |
| Loss attributed to Canada operations | 43,034 | (330,158) |
| Income attributed to BVI & Hong Kong operations | - | (302,513) |
| Loss before tax | <u>\$ (13,406,321)</u> | <u>\$ (2,619,000)</u> |
| | | |
| PRC Statutory Tax at 25% Rate | (472,091) | (309,318) |
| Effect of tax exemption granted | - | - |
| Valuation allowance | 550,789 | 446,775 |
| Income tax | \$ 78,698 | \$ 137,457 |
| Per Share Effect of Tax Exemption | \$ - | \$ - |
| Effect of tax exemption granted | \$ - | \$ - |
| Weighted-Average Shares Outstanding Basic | 72,081,930 | 48,043,041 |
| Per share effect | <u>\$ -</u> | <u>\$ -</u> |

The difference between the U.S. federal statutory income tax rate and the Company's effective tax rate was as follows as of **June 30, 2023** **September 30, 2023** and 2022:

| | 06/30/2023 | 06/30/2022 | 09/30/2023 | 09/30/2022 |
|---|-------------------|-------------------|-------------------|-------------------|
| U.S. federal statutory income tax rate | 21% | 21% | 21% | 21% |
| Higher (lower) rates in PRC, net | 4% | 4% | 4% | 4% |
| Non-recognized deferred tax benefits in the PRC | (25.59)% | (19.75)% | (25.77)% | (21.40)% |
| The Company's effective tax rate | 0.59% | 5.25% | (0.77)% | (0.04)% |

18.

18. Earnings/(Loss) Per Share

Components of basic and diluted earnings per share were as follows:

| | For the six months ended | | For the nine months ended | |
|--|---------------------------------|----------------|----------------------------------|----------------|
| | June 30, | | September 30, | |
| | 2023 | 2022 | 2023 | 2022 |
| Loss from operations attributable to common stockholders | \$ (13,485,019) | \$ (2,714,624) | \$ (14,764,145) | \$ (4,870,760) |
| Basic and diluted (loss) earnings per share denominator: | | | | |
| Original Shares at the beginning: | 72,081,930 | 35,581,930 | 72,081,930 | 35,581,930 |
| Additions from Actual Events – issuance of common stock for cash | - | 8,961,111 | - | 11,680,147 |
| Additions from Actual Events – issuance of common stock for acquisition | - | 3,500,000 | - | 4,852,941 |
| Additions from Actual Events – issuance of common stock for stock compensation | - | - | - | - |
| Additions from Actual Events – issuance of common stock for investment | | | - | 3,220,588 |
| Basic Weighted Average Shares Outstanding | 72,081,930 | 48,043,041 | 72,081,930 | 55,335,606 |
| (Loss) income per common shareholders - Basic and diluted | \$ (0.19) | \$ (0.06) | \$ (0.20) | \$ (0.09) |
| Basic and diluted weighted average shares outstanding | 72,081,930 | 48,043,041 | 72,081,930 | 55,335,606 |

19. Concentrations

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19. Concentrations

Customers Concentrations:

The following table sets forth information about each customer that accounted for 10% or more of the Company's revenues for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022.

| Customers | For the period ended | | | | For the period ended | | | |
|-----------|----------------------|----|---------------|---|----------------------|----|-----------------|---|
| | June 30, 2023 | | June 30, 2022 | | 30-September-23 | | 30-September-22 | |
| | Amount \$ | % | Amount \$ | % | Amount \$ | % | Amount \$ | % |
| A | 2,536,866 | 19 | | | 2,868,854 | 20 | - | - |
| B | 1,342,227 | 10 | | | 1,814,561 | 13 | - | - |
| C | - | - | | | 1,385,955 | 10 | - | - |

Suppliers Concentrations

The following table sets forth information about each supplier that accounted for 10% or more of the Company's purchase for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022.

| Suppliers | For the years ended | | | | For the period ended | | | |
|-----------|---------------------|----|---------------|----|----------------------|----|------------------|----|
| | June 30, 2023 | | June 30, 2022 | | 30-September -23 | | 30-September -22 | |
| | Amount \$ | % | Amount \$ | % | Amount \$ | % | Amount \$ | % |
| A | 2,738,879 | 22 | 8,883,111 | 31 | 4,369,675 | 30 | 8,857,285 | 21 |
| B | 2,225,440 | 18 | 4,474,624 | 16 | 2,309,332 | 16 | 6,281,237 | 15 |
| C | 1,664,699 | 14 | 3,559,645 | 12 | 1,961,289 | 13 | 6,161,585 | 15 |
| D | 1,200,986 | 10 | 3,542,714 | 12 | 1,628,062 | 11 | 5,752,312 | 14 |

20. Risks

20. Risks

A. Credit risk

A. Credit risk

The Company's deposits are made with banks located in the PRC. They do not carry federal deposit insurance and may be subject to loss of the banks become insolvent.

Since the Company's inception, the age of account receivables has been less than one year, indicating that the Company is subject to the minimal risk borne from credit extended to customers.

B. Interest risk

The Company is subject to interest rate risk when short-term loans become due and require refinancing.

C. 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 changes in the political, economic, and legal environments in the PRC.

21. Subsequent Events

On October 10, 2023, Planet Green Holdings Corp. announced that its subsidiary Allinysen Ltd. has achieved a one-year-term groundbreaking strategic partnership with MetaMind AI Limited ("MetaMind"), aiming to revolutionize the landscape of artificial intelligence (AI) technology services. This collaboration, established through a Cooperation Agreement, is set to drive innovation and propel both companies into the forefront of the banks become insolvent.

Since the Company's inception, the age of account receivables has been less than one year, indicating that the Company is subject to the minimal risk borne from credit extended to customers.

B. Interest risk

The Company is subject to interest rate risk when short-term loans become due and require refinancing.

C. 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 changes in the political, economic, and legal environments in the PRC. AI industry.

21. Subsequent Events

Management has evaluated subsequent events and transactions that occurred after the balance sheet date up to the date the unaudited condensed consolidated financial statements were issued. Based upon this review, the Company did not identify any subsequent event that would have required adjustment or disclosure in the unaudited condensed consolidated financial statements.

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

We are headquartered in Flushing, New York City. After a series of acquisitions and dispositions during the past three years, our primary business, which is carried out by Shandong Yunchu, Jingshan Sanhe, Jilin Chuangyuan, Fast Approach Inc., Allinysen Ltd. and Xianning Bozhuang, is:

- Tea products cultivation, packaging, and sales;
- To sell high-grade synthetic fuel products; products
- To distribute beef and mutton products; products.
- To sell formaldehyde, urea-formaldehyde glue, methylal, and clean fuel oil; oil
- Online advertising services and mobile games; games;

Results of Operations

Three Months Ended June 30, 2023 September 30, 2023 Compared to Three Months Ended June 30, 2022 September 30, 2022.

The following discussion should be read in conjunction with the company's unaudited condensed consolidated financial statement for the three months ended June 30, 2023 September 30, 2023, and 2022 and related notes to that.

| (In Thousands of USD) | Three months ended | | Increase / | Increase / | Three months ended | | Increase / | Increase / |
|--|--------------------|---------|------------|------------|--------------------|----------|------------|---------------|
| | June 30, | 2023 | | | 2022 | Decrease | (%) | September 30, |
| | | | 2023 | 2022 | | | | 2023 |
| Net revenues | 4,573 | 15,544 | (10,971) | (71) | 4,183 | 10,264 | (6,081) | (59) |
| Cost of revenues | 4,531 | 14,802 | (10,271) | (69) | 3,834 | 9,566 | (5,732) | (60) |
| Gross profit | 42 | 742 | (700) | (94) | 349 | 698 | (349) | (50) |
| Operating expenses: | | | | | | | | |
| Selling and marketing expenses | 243 | 484 | (241) | (50) | 234 | 562 | (328) | (58) |
| General and administrative expenses | 985 | 1,688 | (703) | (42) | 1,179 | 2,166 | (987) | (46) |
| Research & Developing expenses | 65 | 63 | 2 | 3 | 62 | 79 | (17) | (22) |
| Operating income (loss) | (1,251) | (1,493) | 242 | (16) | (1,126) | (2,109) | 983 | (47) |
| Interest income (expense) | (129) | (161) | 32 | (20) | (123) | (161) | 38 | 24 |
| Other income (expense) | 60 | 207 | (147) | (71) | 4 | 11 | (7) | (64) |
| Loss on disposal of equity investments | (10,849) | - | (10,849) | | N/A | | | |
| (Loss) income before tax | (12,169) | (1,447) | (10,722) | 741 | (1,245) | (2,258) | 1,013 | (45) |
| Income tax expense/(income) | (31) | (48) | 17 | (35) | (33) | (38) | 5 | (13) |
| Net (loss) income | (12,200) | (1,495) | (10,705) | 716 | (1,278) | (2,296) | 1,018 | (44) |

Net Revenues. Our net revenues for the three months ended June 30, 2023 September 30, 2023 amounted to \$4.57 million \$4.18 million, which represents a decrease of approximately \$10.97 million \$6.08 million, or 71% 59%, from \$15.54 million \$10.26 million for the three months ended June 30, 2022 September 30, 2022. This decrease was attributable to a mixture of effects: the continued adverse impact of the COVID-19 pandemic on the Company, which resulted in lower revenue per subsidiary compared to the same period last year and the disposal of subsidiary Anhui Ansheng in December 2022.

Cost of Revenues. During the three months ended June 30, 2023 September 30, 2023, we experienced a decrease in cost of revenue of \$10.27 million \$5.73 million or 69% 60%, in comparison to the three months ended June 30, 2022 September 30, 2022, from approximately \$14.80 million \$9.57 million to \$4.53 million \$3.83 million. This decrease was mainly due to the decrease in the revenue in the current three months period compared to the same period in 2022 and the disposal of the subsidiary Anhui Ansheng in December 2022.

Gross Profit. Profit As a result of the foregoing our. Our gross profit decreased by \$0.70 million \$0.35 million, or 94% 50% to \$42k \$0.35 million for the three months ended June 30, 2023 September 30, 2023 from \$0.74 million \$0.70 million for the three months ended June 30, 2022 September 30, 2022.

This decrease was mainly due to the aforementioned reasons, attributable to the disposal of the subsidiary Anhui Ansheng Petrochemical Equipment Co. Ltd. in December 2022.

Operating Expenses

Operating Expenses

Selling and Marketing Expenses. Our selling and marketing expenses decreased by \$0.24 million \$0.33 million, or 50% 58%, to \$0.24 million \$0.23 million for the three months ended **June 30, 2023** September 30, 2023 from \$0.48 million \$0.56 million for the three months ended **June 30, 2022** September 30, 2022. The selling and marketing expenses mainly come from transportation and storage cost and the sales staff salaries cost decline.

General and Administrative Expenses. We experienced a decrease in general and administrative expense of \$0.71 million \$0.99 million from \$1.69 million \$2.16 million to approximately \$0.98 million \$1.18 million for the three months ended **June 30, 2023** September 30, 2023, compared to the three months ended **June 30, 2022** September 30, 2022. This expense decrease was mainly due to kinds of expenses controlled and the disposal of the Anhui Ansheng in December 2022, where the corresponding administrative staff salary costs, the depreciation, the amortization expense and other management costs decreased comparing with the same period in the previous year.

Net Loss

Our net loss increased decreased by \$10.71 million \$1.02 million, or more than 100% 44%, to a net loss of \$12.20 million \$1.28 million for the three months ended **June 30, 2023** September 30, 2023 from \$1.50 million \$2.30 million in net loss for the three months ended **June 30, 2022** September 30, 2022. This increase decrease was mainly due to losses of the disposal of an equity investment the subsidiary Anhui Ansheng in Xianning Xiangtian Energy Holdings Group Co., Ltd. For details, please refer to note 10 lone-term investments. December 2022

Six Nine Months Ended June 30, 2023 September 30, 2023 Compared to Six Nine months Ended June 30, 2022 September 30, 2022.

The following discussion should be read in conjunction with the company's unaudited condensed consolidated financial statement for the six nine months ended **June 30, 2023** September 30, 2023, and 2022 and related notes to that.

| (In Thousands of USD) | Six months ended | | Increase / | | Nine months ended | | Increase / | |
|--|------------------|---------|------------|------|-------------------|---------|------------|------|
| | June 30, | | Decrease | | September 30, | | Decrease | |
| | 2023 | 2022 | (\$) | (%) | 2023 | 2022 | (\$) | (%) |
| Net revenues | 13,108 | 27,524 | (14,416) | (52) | 17,291 | 37,788 | (20,497) | (54) |
| Cost of revenues | 12,819 | 25,619 | (12,800) | (50) | 16,653 | 35,185 | (18,532) | (53) |
| Gross profit | 289 | 1,905 | (1,616) | (85) | 638 | 2,603 | (1,965) | (75) |
| Operating expenses: | | | | | | | | |
| Selling and marketing expenses | 487 | 935 | (448) | (48) | 721 | 1,497 | (776) | (52) |
| General and administrative expenses | 2,078 | 3,491 | (1,413) | (40) | 3,257 | 5,657 | (2,400) | (42) |
| Research & Developing expenses | 134 | 71 | 63 | 86 | 196 | 151 | 45 | 30 |
| Operating income (loss) | (2,410) | (2,592) | 182 | (7) | (3,536) | (4,702) | 1,166 | (25) |
| Interest income (expense) | (245) | (319) | 74 | (23) | (368) | (479) | 111 | (23) |
| Other income (expense) | 98 | 292 | (194) | (66) | 101 | 304 | (203) | (67) |
| Loss on disposal of equity investments | (10,849) | - | (10,849) | N/A | (10,849) | - | (10,849) | N/A |
| (Loss) income before tax | (13,406) | (2,619) | (10,787) | 412 | (14,652) | (4,877) | (9,775) | 200 |
| Income tax expense/(income) | (79) | (137) | 58 | (42) | (112) | (175) | 63 | (36) |
| Net (loss) income | (13,485) | (2,756) | (10,729) | 389 | (14,764) | (5,052) | (9,712) | 192 |

Net Revenues. Our net revenues for the six nine months ended **June 30, 2023** September 30, 2023 amounted to \$13.11 million \$17.30 million, which represents a decrease of approximately \$14.42 million \$20.50 million, or 52% 54%, from \$27.52 million \$37.79 million for the six nine months ended **June 30, 2022** September 30, 2022. The main reasons please reference to the foregoing description about net revenues for the three months ended **June 30, 2023** September 30, 2023.

Cost of Revenues. During the six nine months ended **June 30, 2023** September 30, 2023, we experienced a decrease in cost of revenue of \$12.82 million \$18.53 million or 50% 53%, in comparison to the six nine months ended **June 30, 2022** September 30, 2022, from approximately \$25.62 million \$35.19 million to \$12.80 million \$16.65 million. The main reasons please reference to the foregoing description about costs of revenues for the three months ended **June 30, 2023** September 30, 2023.

Gross Profit. Our gross profit decreased by \$1.62 million \$1.97 million, or 85% 75% to \$0.29 million \$0.64 million for the six nine months ended June 30, 2023 September 30, 2023 from \$1.91 million \$2.60 million for the six nine months ended June 30, 2022 September 30, 2022. This decrease was mainly due to the aforementioned reasons, attributable to the decrease in the revenue in the current six nine months period compared to the same period in 2022 and the disposal of the subsidiary Anhui Ansheng in December 2022.

Operating Expenses

Operating Expenses

Selling and Marketing Expenses. Our selling and marketing expenses decreased by \$0.45 million \$0.78 million, or 48% 52%, to \$0.49 million \$0.72 million for the six nine months ended June 30, 2023 September 30, 2023 from \$0.94 million \$1.50 million for the six nine months ended June 30, 2022 September 30, 2022. The selling and marketing expenses mainly come from transportation and storage cost and the sales staff salaries cost decline.

General and Administrative Expenses. We experienced a decrease in general and administrative expense of \$1.41 million \$2.40 million from \$3.49 million \$5.66 million to approximately \$2.08 million \$3.26 million for the six nine months ended June 30, 2023 September 30, 2022, compared to the six nine months ended June 30, 2022 September 30, 2023. This expense decrease was mainly due to kinds of expenses controlled and the disposal of the subsidiary Anhui Ansheng in December 2022, the corresponding administrative staff salary costs, the depreciation, the amortization expense and other daily sporadic management costs decreased comparing with the same period in the previous year.

Net Loss

Our net loss increased by \$11 million \$9.71 million, or more than 100%, to a net loss of \$13.49 million \$14.76 million for the six nine months ended June 30, 2023 September 30, 2023 from \$2.76 million \$5.05 million in net loss for the six nine months ended June 30, 2022 September 30, 2022. This increase decrease was mainly due to losses caused by the disposal of the equity investment subsidiary Anhui Ansheng in Xianning Xiangtian Energy Holdings Group Co., Ltd. For details, please refer to note 10 lone-term investments. December 2022.

Going Concern and Capital Resources

In assessing our liquidity, we monitor and analyze our cash-on-hand and operating and capital expenditure commitments. Our liquidity needs meet our working capital requirements, operating expenses, and capital expenditure obligations. In the reporting period in the fiscal period ended June 30, 2023 September 30, 2023, our primary sources of financing have been cash generated from operations.

As of June 30, 2023 September 30, 2023, we had cash and cash equivalents (including restricted cash) of \$0.72 million \$0.31 million and a working capital deficit of \$4,358,221 \$5.16 million. For the six nine months ended June 30, 2023 September 30, 2023, we have incurred a net loss of \$13,485,019 \$14,764,145. These factors raise substantial doubt on our ability to continue as a going concern. The accompanying unaudited condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. We expect to continue to finance our operations and working capital needs in 2023 from cash generated from operations and, if needed, private financings. Suppose available liquidity is insufficient to meet our operating and loan obligations as they come due. In that case, our plans include pursuing alternative financing arrangements or reducing expenditures as necessary to meet our cash requirements. However, there is no assurance that we will raise additional capital or reduce discretionary spending to provide liquidity if needed. We cannot be sure of the availability or terms of any alternative financing arrangements.

The following table provides detailed information about our net cash flow for all financial statement periods presented in this report.

Cash Flows Data:

| (In thousands of U.S. dollars) | For the six months ended June 30 | | For the nine months ended September 30 | |
|---|-------------------------------------|---------|---|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Net cash flows used in operating activities | (2,240) | (8,200) | (4,241) | (10,208) |
| Net cash flows (used in) provided by investing activities | 2,749 | (3,854) | | |
| Net cash flows used in investing activities | | | 2,699 | (3,271) |
| Net cash flows provided by financing activities | 34 | 10,386 | 1,528 | 11,315 |

Operating Activities

Net cash used in operating activities for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** was approximately **\$2.24 million** **\$4.24 million**, while net cash used in operating activities for the same period in 2022 amounted to **\$8.20 million** **\$10.21 million**. Net cash increase in operating activities was mainly due to the increase in advance from customers and other payables.

Investing Activities

Net cash provided **by** **in** investing activities for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** was **\$2.75 million** **\$2.70 million**, representing an increase of **\$6.60 million** **\$5.97 million** in net cash **provided by** **used in** investing activities from **\$3.85 million** **\$3.27 million** for the same period of 2022.

Financing Activities

Financing Activities

Net cash provided by financing activities for the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, was **\$34,000**, **\$1.53 million**, representing a decrease of **\$10.35 million** **\$10.3 million** in net cash provided by financing activities from **\$10.39 million** **\$11.3 million** for the same period of 2022.

Critical Accounting Policies

The preparation of unaudited condensed consolidated financial statements in conformity with the United States generally accepted accounting principles requires our management to make assumptions, estimates, and judgments that affect the amounts reported in the unaudited condensed consolidated financial statements, including the notes to that, and related disclosures of commitments contingencies, if any.

We consider our critical accounting policies to require the more significant judgments and estimates in preparing unaudited condensed consolidated financial statements, including those outlined in Note 2 to the unaudited condensed consolidated financial statements included herein.

Off-Balance Sheet Arrangements

We do not have any off-balance arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

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 company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding required disclosure.

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2023. Based upon his evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective.

As a result, we performed additional analysis as deemed necessary to ensure that our financial statements were prepared in accordance with U.S. generally accepted accounting principles. Accordingly, management believes that the financial statements included in this Form 10-Q present fairly in all material respects our financial position, results of operations and cash flows for the period presented.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

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 (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) 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

None On July 27, 2023, Daqi Cui, a former employee, filed a complaint against the Company in Queens County, the Supreme Court of the State of New York, asserting claims of breach of employment contract, seeking \$609,145.05 in damages as well as attorneys' fees and costs. On November 6, 2023, the Company filed a motion to move the case to the United States District Courthouse, Eastern District of New York for an Order to dismiss with prejudice.

ITEM 1A. RISK FACTORS

Risk Factors that could cause our actual results to differ materially from those in this Quarterly Report are any of the risks described in the Company's registration statement on Form S3/A as filed with the SEC on April 18, 2023. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations. As of the date of this Quarterly Report, there have been no material changes to the risk factors disclosed in the Company's registration statement Form S3/A as filed with the SEC on April 18, 2023.

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

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The following exhibits are filed as part of this report.

| Exhibit No. | Description |
|-------------|--|
| 31.1 | Certification of Principal Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.* |
| 31.2 | Certification of Principal Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.* |
| 32.1 | Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.** |
| 32.2 | Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.** |
| 101.INS | Inline XBRL Instance Document.* |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document.* |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document.* |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document.* |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document.* |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document.* |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).* |

* Filed herewith.

** Furnished herewith.

SIGNATURES

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

PLANET GREEN HOLDINGS CORP.

Date: August 14, 2023 November 14, 2023

By: /s/ Bin Zhou

Bin Zhou, Chief Executive Officer and Chairman

(Principal Executive Officer)

Date: August 14, 2023 November 14, 2023

By: /s/ Lili Hu

Lili Hu, Chief Financial Officer

(Principal Financial and Accounting Officer)

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

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302

I, Bin Zhou, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Planet Green Holdings Corp.
1. I have reviewed this Quarterly Report on Form 10-Q of Planet Green Holdings Corp.
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;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

- a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b. Designed such internal 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;
- 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 Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
- c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
- d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
- d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting;
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 14, 2023 November 14, 2023

By: /s/ Bin Zhou

Bin Zhou,
Chief Executive Officer and Chairman

**CERTIFICATIONS OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302**

I, Lili Hu, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Planet Green Holdings Corp.
 1. I have reviewed this Quarterly Report on Form 10-Q of Planet Green Holdings Corp.
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;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal 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;
 - 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 Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

- d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
- d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 14, 2023 November 14, 2023

By: /s/ Lili Hu

Lili Hu,
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of Planet Green Holdings Corp. (the "Company") on Form 10-Q for the period ended June 30, 2023 September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacities and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
 1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.
 2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: August 14, 2023 November 14, 2023

By: /s/ Bin Zhou

Bin Zhou,

Chief Executive Officer and Chairman
(Principal Executive Officer)

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

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

In connection with the Quarterly Report of Planet Green Holdings Corp. (the "Company") on Form 10-Q for the period ended **June 30, 2023** **September 30, 2023** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacities and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to her knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: **August 14, 2023** **November 14, 2023**

By: /s/ Lili Hu

Lili Hu,
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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