

**United States
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

May 13, 2024

Date of Report (Date of earliest event reported)

Cheetah Net Supply Chain Service Inc.

(Exact Name of Registrant as Specified in its Charter)

North Carolina

(State or other jurisdiction
of incorporation)

001-41761

(Commission File Number)

81-3509120

(I.R.S. Employer
Identification No.)

**6201 Fairview Road, Suite 225
Charlotte, North Carolina**

(Address of Principal Executive Offices)

28210

(Zip Code)

(704) 826-7280

Registrant's telephone number, including area code

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|----------------------------|--------------------------|--|
| Class A Common Stock | CTNT | The Nasdaq Stock Market LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition.

On May 13, 2024, Cheetah Net Supply Chain Service Inc. issued a press release to announce the financial results for its fiscal year 2024 first quarter, ended March 31, 2024. The press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01 Exhibits.

(d) *Exhibits*

| Exhibit No. | Description |
|----------------------|---|
| 99.1 | Press Release dated May 13, 2024 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 13, 2024

Cheetah Net Supply Chain Service Inc.

By: */s/ Huan Liu*

Huan Liu
Chief Executive Officer, Director, and Chairman of the Board of
Directors



Cheetah Net Supply Chain Service Inc. Announces 1st Quarter 2024 Results and Provides Corporate Update

CHARLOTTE, May 13, 2024 (GLOBE NEWSWIRE) – Cheetah Net Supply Chain Service Inc. (“Cheetah” or the “Company”) (Nasdaq CM: CTNT), a supplier of parallel-import vehicles sourced in the U.S. to be sold in the People’s Republic of China (the “PRC”) market, today reported results for the quarter ended March 31, 2024 and provided a corporate update.

Recent Highlights

- Challenging market conditions in the PRC, first reported with respect to the Company’s financial performance during the second half of 2023, have continued into 2024. The Company’s financial results were impacted by these unfavorable market conditions in the first quarter of 2024, during which the Company experienced a significant decline in revenue. The gross margin between the U.S. retail prices of select luxury car models and their wholesale prices in the parallel-vehicle market continues to be significantly compressed.
- The Company sold a total of 13 vehicles during the first quarter of 2024, compared with 82 vehicles in the first quarter of 2023. First quarter 2024 vehicle sales revenue amounted to \$1.4 million compared with \$10.2 million in the first quarter of 2023. The decline in revenue resulted in a net loss of \$0.6 million during the quarter compared with a loss of \$0.1 million during the first quarter of 2023.
- In February 2024, the Company completed the acquisition of Edward Transit Express Group, Inc. (“Edward”), a California-based common carrier specializing in ocean and air transportation services, for \$0.3 million in cash and the issuance of 1,272,329 shares of its Class A common stock. Edward is providing warehousing and logistics services to third-party parallel-import vehicle and other wholesalers, and is expected to enhance the offering of the Company’s financial services business, which was launched in October 2022.
- The Company is moving to expand beyond the parallel-import vehicle business with the goal of becoming an integrated provider of international trade services and financing for small- and medium-sized traders. The Company generated \$60,000 in warehousing and logistics revenue from non-vehicle-related wholesalers during the first quarter of 2024 following the Edward acquisition closing in February 2024.

Cheetah Chairman and CEO Tony Liu commented, “Poor economic conditions in the PRC market that began in mid-2023 have continued into 2024. Luxury import dealers are discounting the prices of their vehicles below the manufacturer’s suggested retail price, causing our gross profit margins to narrow or disappear entirely. Cheetah remains focused on executing sales to the PRC that generate favorable margins, and to that end we have delayed the purchase of additional inventory until more favorable margins become apparent. We believe this condition will reverse itself, but we cannot anticipate at this time when that turnaround may occur.”

Mr. Liu continued, “Our purchase of Edward in February was the first step in our plans to become a significant provider of warehousing and logistics businesses for other parallel-import vehicle exporters as well as non-vehicle importers and exporters. We believe this business is attractive for Cheetah given the relatively low operating costs and attractive margins that are available and the significant international trade flows we believe will continue.”

Financial Results for the Quarter Ended March 31, 2024

During the quarter ended March 31, 2024, the Company’s revenue from parallel-import vehicle sales decreased by \$8.8 million, or 86%, from approximately \$10.2 million in the first quarter of 2023 to \$1.4 million in 2024. This decline is due to the Company’s intentional pause in vehicle procurement in the fourth quarter, prompted by price volatility in the PRC market and the results of an earlier shift in the Company’s procurement pricing strategy.

Total cost of revenue from parallel-import vehicles sold decreased by \$7.6 million, or 84.1%, from \$9.1 million in the first quarter of 2023 to \$1.4 million in 2024. The Company’s cost of revenue from parallel-import vehicles sold amounted to 88.9% and 100.6%, respectively, of its parallel-import vehicle revenue. The decrease in total cost of parallel-import vehicles sold reflected in large part the reduction in the number of vehicles sold. The procurement strategy shift, initiated in 2023, was also an important factor in this decrease, allowing the Company to manage costs more effectively despite external market pressures.

Cheetah Net Supply Chain Service Inc.

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The Company reported total revenue of approximately \$80,000 generated from logistics and warehousing services during the first quarter of 2024, of which approximately \$64,000 was derived from non-vehicle-related services. Ocean freight expenses directly related to the warehousing and services segment amounted to approximately \$43,000. The Company began recording logistics and warehousing revenue and expense as of February 2, 2024, the closing date of the Edward acquisition.

Selling expenses decreased by 71.6% to approximately \$80,000, representing 5.2% of the Company's total revenue, a \$0.2 million decline from the first quarter of 2023. The decrease in selling expenses can be attributed primarily to a reduction in the number of vehicles sold during the fourth quarter.

Income (loss) from operations was (\$0.8) million in the first quarter of 2024 compared with \$0.3 million in the first quarter of 2023.

Total other expenses consisted primarily of interest expense, which decreased significantly by approximately \$0.4 million, or 85.6%, to approximately \$60,000 for the first quarter of 2024 from \$0.4 million in 2023 in the comparable period in 2023. The decline in interest expense was primarily due to the significant drop in inventory and sales activity.

Net loss in the quarter ended March 31, 2024 was \$0.6 million, compared with a net loss of \$0.1 million, for the quarter ended March 31, 2023.

Liquidity and Cash Flow

The Company reported cash of \$0.9 million as of March 31, 2024. Its working capital amounted to approximately \$6.3 million, consisting of \$7.8 million of current assets less \$1.5 million of current liabilities, of which \$0.8 million represents loans payable and current portion of long-term debt. The Company's strong working capital cushion is supported by its ability to borrow under its existing credit facilities. From time to time in the past several years, the Company has been supported by loans from its principal stockholder, and the Company believes such support will continue to be available in the future, if needed.

The Company is working to further improve its liquidity and capital sources primarily by generating cash from operations, debt financing, and, if needed, financial support from its principal stockholder. In order to fully implement its business plan and sustain continued growth, the Company may also seek additional equity financing from outside investors. Based on the current operating plan, management believes that the aforementioned measures collectively will provide sufficient liquidity to meet the Company's future liquidity and capital requirements for at least 12 months from the issuance date of its consolidated financial statements.

Forward-Looking Statements

This press release contains certain forward-looking statements, including statements that are predictive in nature. Forward-looking statements are based on the Company's current expectations and assumptions. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. These statements may be identified by the use of forward-looking expressions, including, but not limited to, "anticipate," "believe," "continue," "estimate," "expect," "future," "intend," "may," "outlook," "plan," "potential," "predict," "project," "should," "will," "would," and similar expressions that predict or indicate future events or trends or that are not statements of historical matters, but the absence of these words does not mean that a statement is not forward-looking. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Important factors that could cause actual results to differ materially from those in the forward-looking statements are set forth in the Company's filings with the U.S. Securities and Exchange Commission, including its registration statement on Form S-1, as amended, under the caption "Risk Factors."

For more information, please contact:

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CHEETAH NET SUPPLY CHAIN SERVICE INC.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

| | For the Three Months Ended March 31, | |
|---|---|---------------------|
| | 2024 | 2023 |
| REVENUES | | |
| Parallel-import Vehicle | \$ 1,430,951 | \$ 10,214,442 |
| Logistics and Warehousing | 76,834 | — |
| Total Revenues | 1,507,785 | 10,214,442 |
| COST OF REVENUES | | |
| Cost of vehicles | 1,314,973 | 8,504,503 |
| Fulfillment expenses | 125,261 | 566,882 |
| Ocean freight service cost | 42,500 | — |
| Total cost of revenues | 1,482,734 | 9,071,385 |
| GROSS PROFIT | 25,051 | 1,143,057 |
| OPERATING EXPENSES | | |
| Selling expenses | 78,840 | 277,783 |
| General and administrative expenses | 767,642 | 581,070 |
| Total operating expenses | 846,482 | 858,853 |
| INCOME (LOSS) FROM OPERATIONS | (821,431) | 284,204 |
| OTHER INCOME (EXPENSE) | | |
| Interest expenses, net | (62,765) | (437,059) |
| Other income, net | 29,552 | 1,934 |
| Total other (expense), net | (33,213) | (435,125) |
| LOSS BEFORE PROVISION FOR INCOME TAXES | (854,644) | (150,921) |
| Income tax benefit | (245,714) | (42,988) |
| NET LOSS | \$ (608,930) | \$ (107,933) |
| Loss per share - basic and diluted | \$ (0.03) | \$ (0.01) |
| Weighted average shares - basic and diluted | 18,740,917 | 16,666,000 |

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**CHEETAH NET SUPPLY CHAIN SERVICE INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET DATA**

| | March 31, 2024 | December 31, 2023 |
|---|---------------------|----------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash | \$ 903,204 | \$ 432,998 |
| Accounts receivable | 4,935,009 | 6,494,695 |
| Inventories | 200,296 | 1,515,270 |
| TOTAL CURRENT ASSETS | 7,836,191 | 9,820,537 |
| TOTAL ASSETS | \$ 9,932,619 | \$ 10,059,265 |
| TOTAL CURRENT LIABILITIES | 1,544,265 | 2,358,791 |
| TOTAL LIABILITIES | 2,815,046 | 3,154,637 |
| TOTAL STOCKHOLDERS' EQUITY | 7,117,573 | 6,904,628 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 9,932,619 | \$ 10,059,265 |

**CHEETAH NET SUPPLY CHAIN SERVICE INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | For the Three Months Ended March 31, | |
|--|---|--------------------|
| | 2024 | 2023 |
| Cash flows from operating activities: | | |
| Net Loss | \$ (608,930) | \$ (107,933) |
| Net cash provided by operating activities | <u>1,695,717</u> | <u>4,106,711</u> |
| Cash flows from investing activities: | | |
| Net cash (used in) investing activities | <u>(47,617)</u> | <u>—</u> |
| Cash flows from financing activities: | | |
| Net cash (used in) financing activities | <u>(1,177,894)</u> | <u>(4,104,422)</u> |
| Net increase in cash | 470,206 | 2,289 |
| Cash, beginning of period | 432,998 | 58,381 |
| Cash, end of period | \$ 903,204 | \$ 60,670 |

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