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GREENHEART GROUP LIMITED

綠心集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 94)

INSIDE INFORMATION

PROVISION FOR IMPAIRMENT AND PROFIT WARNING

The announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors of the Company that the Company is expected to report a significant further loss in the financial year ending 31 December 2015 due to the possible provisions for non-cash impairment losses on timber concessions and cutting rights, properties, plant and equipment and goodwill of the Group's Suriname division.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by Greenheart Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that the Group is likely to make provisions for impairment on the timber concessions and cutting rights and property, plant and equipment and goodwill in relation to its Suriname division (“the **Assets**”), which had a total unaudited carrying value of approximately HK\$1,027,665,000 as at 30 June 2015, for the financial year ending 31 December 2015 (the “**Year**”) in accordance with the relevant Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountant.

As disclosed in the Group's interim report 2015, the Group has appointed a new local management team aiming to turnaround the Group's Suriname division. After detailed review, the new local management found that after taking into the actual production yield and the operating costs, some of the machineries, which contributed a significant portion of the planned production volume, may not be able to contribute positive return unless substantial reconfiguration is made. Up to the date of this announcement, the detailed timing and the plan of the reconfiguration has yet been determined. In view of the above, the Group expected that total impairment provisions of such related assets for the Year will be approximately HK\$416,017,000. The provisions were calculated based on the draft valuation report for the Year prepared by the independent valuer which has taken into account the factors as mentioned above.

The impairment provision, if made, will cause the Company to report a significant further loss in the Year as compared to the corresponding period last year but will not have adverse impact on the cash flow of the Group as the provision is a non-cash expense.

As the Company is still in the process of finalizing its consolidated final results for the Year, the information contained in this announcement is only based on preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Company and the information currently available to the Board, which have not been audited by the Company's auditor. The final results announcement of the Company for the Year will be published according to the requirements under the Listing Rules of the Hong Kong Stock Exchange.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Greenheart Group Limited
Wu Wai Leung Danny
Chief Executive Officer and Executive Director

Hong Kong, 27 December 2015

As at the date hereof, the Board comprises two executive Directors, namely Messrs. Wu Wai Leung, Danny and Lim Hoe Pin, three non-executive Directors, namely Messrs. Cheng Chi-Him, Conrad, Tsang On-Yip, Patrick and Simon Murray, and three independent non-executive Directors, namely Messrs. Nguyen Van Tu, Peter, Tang Shun Lam, Steven and Wong Man Chung, Francis.

Website: <http://www.greenheartgroup.com>