GREENHEART GROUP LIMITED

綠 心 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 94)

INSIDE INFORMATION
ANTICIPATION OF SIGNIFICANT DECREASE IN LOSS

This announcement is made by Greenheart Group Limited (the "**Company**" together with its subsidiaries, the "**Group**") pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the information currently available, the Group expects to record a significant decrease in its consolidated net loss for the six months period ended 30 June 2016 (the "**Period**") as compared to that for the six months period ended 30 June 2015. Such expected decrease in net loss is primarily attributable to, among other things, the substantial non-cash fair value gain on the plantation forest assets located in New Zealand. According to the draft valuation report prepared by an independent valuer (the "**Draft Valuation Report**"), it is expected that a fair value gain on plantation assets of HK$45.9 million will be recorded for the Period, while a fair value loss of HK$86.9 million was recorded during the same period of last year. The deferred tax arising from the above-mentioned fair value gain will be a deferred tax expense of HK$12.8 million for the Period (2015: a deferred tax credit of HK$24.3 million). The Draft Valuation Report was prepared according to industry practice, consistently applied and placed significant weight on the spot market price and return movement during the valuation period. The increase of the fair value is mainly due to the increase of the near term forecast New Zealand Radiata Pine unit log price at wharf gate.

The information contained in this announcement is only based on a preliminary assessment by the Board based on the information currently available to it, including the latest unaudited management accounts of the Group prepared by the management of the Company, which has not yet been finalized and has not been audited or reviewed by the Company's auditors as at the date of this announcement. Shareholders and potential investors are advised to refer to the details in the interim results announcement of the Company for the six months ended 30 June 2016, which is expected to be published in August 2016.

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

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

Hong Kong, 16 August 2016

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