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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

PROFIT WARNING

This announcement is made by Greenheart Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 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 that, based on the information currently available, the Group expects to record an increase of approximately 64.1% in its net loss for the year ended 31 December 2021 (the “**Year**”) as compared to that of last year.

The increase in the net loss attributable to the Shareholders was the net result of the following:

- (i) A decrease in non-cash fair value gain on plantation forest assets located in New Zealand by approximately HK\$34,459,000 as compared with last year. The gain was calculated based on the preliminary valuation as at the end of Year prepared by an independent valuer and such decrease was primarily attributable to the decrease in near term forecast selling prices of radiata pine logs, reflecting the current situation of New Zealand softwood market;
- (ii) A reversal of provision for impairment on timber concessions and cutting rights of HK\$12,785,000, due to the improvement of tropical hardwood log prices, and a specific provision for impairment of processing equipment of HK\$8,128,000, caused by increase in the prices of input materials, in the Suriname division. These provisions were calculated based on the draft valuation report for the Year prepared by the independent valuer; and

(iii) The absence in the current year of the reversal of impairment losses on other receivables of HK\$8,663,000 made last year.

The information contained in this announcement is only based on a preliminary assessment by the Board of the information currently available to it, including the latest unaudited management accounts of the Group prepared by the management of the Company, which have not yet been finalized as at the date of this announcement. Details of the performance of the Group for the Year will be disclosed in the consolidated final results announcement of the Company, which is expected to be published before the end of March 2022.

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
Ding Wai Chuen
Executive Director and Chief Executive Officer

Hong Kong, 18 March 2022

As at the date hereof, the Board comprises one executive Director, namely Mr. Ding Wai Chuen, 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. Wong Man Chung Francis, Cheung Pak To Patrick and To Chun Wai.

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