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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 CESSATION OF WEST SURINAME BUSINESS**

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 Regime 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 Group has been operating its forestry business in Suriname (“**Suriname Business**”) for a number of years but the Suriname Business has been making losses continuously. In recent years, the operating environment in Suriname has become increasingly unfavourable, with economic downturn in major markets, extreme local weather conditions, escalating operating costs, shortage of shipping capacities, social unrest, and the increasingly adverse government stance towards the forestry industry as demonstrated by the prolonged delays in renewing concessions and substantial increases in license fees and charges, all impacting negatively on the Suriname Business. This situation is unsustainable as the Suriname Business will continue to drain the financial resources of the Group. Of the three locations in which the Suriname Business is operated, namely East Suriname, Central Suriname and West Suriname, West Suriname has suffered the heaviest losses as it is located farthest away from the port and therefore incurred the highest operating costs. The management of the Group does not consider that such loss-making situation and adverse factors will be alleviated in the foreseeable future.

The Group’s forestry business in West Suriname (“**West Suriname Business**”) is operated via Greenheart Resources Holdings Limited (“**GHR**”) and its subsidiaries (together with GHR, the “**GHR Group**”). Out of GHR’s issued share capital, 4,629,000,000 shares (representing approximately 60.39% of GHR’s issued shares) are held by Silver Mount Group Limited (“**Silver Mount**”), a wholly-owned subsidiary of the Company, and the remaining 3,036,000,000 shares (representing approximately 39.61% of GHR’s issued shares) are held by Newforest Limited (“**Newforest**”). As at the date of this announcement, Newforest holds approximately 60.49% of the issued shares of the Company.

Management of GHR has considered various options regarding the West Suriname operations, including disposal. However, the concession licenses in Suriname are not transferrable and therefore the GHR Group is not able to sell the concession licenses separately other than as part of the entire West Suriname Business. The management of GHR considers that, given the difficult and highly uncertain operating environment in West Suriname, it is not likely that any substantial interested investor can be sourced for the West Suriname Business, or acquiring the wood processing property, plant and equipment of the GHR Group, when such assets are located inside the forests under the relevant West Suriname concessions and are an inextricable part of the West Suriname forestry operation.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, after considering the relevant factors and business outlook of the West Suriname Business, Silver Mount and Newforest, as shareholders of GHR, have resolved today to cease the business of the GHR Group. The GHR Group will liaise with the local government and other stakeholders in Suriname in due course with respect to its post-cessation obligations. For the reasons mentioned in the foregoing paragraph, it is expected that the recoverable amounts of the GHR Group’s assets in West Suriname will be negligible.

In the meantime, the Group will continue its operations in Central and East Suriname, but will monitor the impact of the cessation of the West Suriname on the operations in these locations.

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

By Order of the Board  
**Greenheart Group Limited**  
**Ding Wai Chuen**  
*Executive Director and Chief Executive Officer*

Hong Kong, 28 June 2024

*As at the date hereof, the Board comprises one executive Director, namely Mr. Ding Wai Chuen, four non-executive Directors, namely Messrs. Cheng Chi-Him, Conrad, Kenneth Lau, Lie Ken Jie Remy Anthony Ket Heng and Ms. Suen Chung Yan, Julia, 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>