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GREENHEART GROUP LIMITED
綠心集團有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 94)

PROFIT FORECAST IN RELATION TO THE VERY SUBSTANTIAL DISPOSAL FOR THE DISPOSAL OF SALE ASSETS

Reference is made to the announcement of Greenheart Group Limited (the "**Company**") dated 10 September 2025 relating to the Disposal (the "**Announcement**"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As set out in the Announcement, the Consideration was determined after arm's length negotiations between the Vendors and the Purchaser with reference to, among other things, the appraised value of the tree crops (the "**Tree Crops**") and the forest land (the "**Forest Land**") as at 30 June 2025 set out in the Valuation Report based on income approach (save for the appraised value of the Forest Land which was based on the market comparison approach) conducted by Indufor Asia Pacific Limited ("**Indufor**"). For detailed bases in determining the Consideration, please refer to the Announcement.

According to the Valuation Report dated 11 August 2025, the Tree Crops and the Forest Land of the Sale Assets were appraised at approximately NZ$91.76 million (equivalent to approximately HK$421.02 million) as at 30 June 2025, being the aggregate amount of (i) approximately NZ$60.40 million (equivalent to approximately HK$277.15 million) for the Tree Crops, using the discounted cash flow method under the income approach (the "**DCF Approach**"), and (ii) approximately NZ$31.36 million (equivalent to approximately HK$143.87 million) for the Forest Land, using the market comparison approach as the respective adopted valuation methods.

The valuation method and the assumptions adopted under the DCF Approach in the Valuation Report constitute a profit forecast under Rule 14.61 of the Listing Rules (the "**Profit Forecast**").

The principal assumptions underlying the Profit Forecast

A summary of the valuation method and the principal assumptions adopted in the Valuation Report in connection with the Tree Crops under the DCF Approach, including commercial assumptions upon which the Profit Forecast is based, is set out in Appendix I to this announcement in accordance with Rule 14.60A(1) of the Listing Rules.

Indufor confirmed that the scope of work for its engagement is not atypical of valuation engagement of this kind and there is no limitation on the scope of work which might adversely impact the Valuation Report.

Review by the Reporting Accountants

Pursuant to Rule 14.60A(2) of the Listing Rules, a letter from the issuer's auditors or reporting accountants confirming that they have reviewed the accounting policies and calculations for the forecast and containing in the announcement their report is required. The Company has engaged Deloitte Touche Tohmatsu, the reporting accountants (the "**Reporting Accountants**") to report on the calculations of the DCF Approach used in the Valuation Report prepared by Indufor, which do not involve the adoption of accounting policies, as to whether and so far as the calculations are concerned, the Directors have properly compiled the Profit Forecast, in all material respects, in accordance with the bases and assumptions adopted by the Directors.

A text of the report from the Reporting Accountants in compliance with Rule 14.60A(2) of the Listing Rules is set out in Appendix II to this announcement.

Review by the Financial Adviser

The Financial Adviser has (i) discussed with the Directors, the senior management of the Company and Indufor regarding the bases and assumptions upon which the Profit Forecast has been prepared, (ii) reviewed the Profit Forecast upon which the valuation of the Tree Crops (for which the Directors are solely responsible) has been made, and (iii) considered the report from the Reporting Accountants. On the basis of the foregoing and subject to the assumptions and qualifications set out in the letter from the Financial Adviser, the Financial Adviser is satisfied that the Profit Forecast, for which the Directors are responsible, has been made after due and careful enquiries by the Directors.

The relevant letter from the Financial Adviser in compliance with Rule 14.60A(3) of the Listing Rules is set out in Appendix III to this announcement.

Experts

The following are the qualifications of the experts whose opinions and advice are included in this announcement:

Name	Qualification
Indufor Asia Pacific Limited	Independent valuer responsible for appraising the value of the Tree Crops
Deloitte Touche Tohmatsu	Certified public accountants and registered public interest entity auditors
Red Sun Capital Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong), being the financial adviser to the Company in relation to the Disposal

As at the date of this announcement, as far as the Directors are aware, none of Indufor, the Reporting Accountants and the Financial Adviser had any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

Each of the Indufor, the Reporting Accountants and the Financial Adviser has given and has not withdrawn its written consent to the publication of this announcement with the inclusion of its letter, report or opinion (as the case may be) and all references to its name in the form and context in which it appears in this announcement.

As Completion of the SPAs is conditional upon the fulfilment and/or wavier (if applicable) of the Conditions set out in the SPAs, the Disposal may or may not proceed to Completion and the Special Dividend may or may not be declared. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

Unless otherwise specified in this announcement, the exchange rate of NZ$1.00 = HK$4.5883 has been adopted for translating NZ$ into HK$ in this announcement. The translation does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.

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

Hong Kong, 30 September 2025

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.

BASIS OF USING THE INCOME APPROACH FOR VALUATION

Pursuant to the Valuation Report, Indufor Asia Pacific Limited ("**Indufor**") considered the application of three principal valuation approaches, namely asset-based approach, market approach and income approach as briefly described below:

(i) asset-based approach refers to the approach in which the value of assets and liabilities of the valuation subject as at a given valuation date is based and assessed to determine the value of the valuation subject;

(ii) market approach refers to the approach in which the valuation subject is compared with comparable companies or transactions to determine the value of the valuation subject with reference to the market value of such comparables; and

(iii) income approach refers to the approach in which the current value of the expected income of the valuation subject is appraised to determine the value of the valuation subject.

The Valuation Report has been prepared in accordance with the Valuation Standards of the New Zealand Institute of Forestry, and in conformity with the Uniform Standards of Professional Appraisal Practice.

Asset-based Approach

This approach was considered not suitable for the Tree Crops, having regard to:

(i) valuation processes commonly applied when valuing tree crops with a mix of immature, mid-rotation, and mature age classes;

(ii) a potential buyer of the asset is likely to be considering the future earnings potential under a scenario where it manages the tree crop through to maturity and then regenerates the tree crop after harvesting; and

(iii) the asset-based approach does not capture the potential revenue available to a purchaser.

Market Approach

The market approach was also considered not suitable, as forest estates are rarely directly comparable with each other. While in NZ the tree crop species is frequently the same (i.e. radiata pine), other factors are likely to be materially different, for example:

(i) scale of the estate (larger forest estates are rarer and might attract more competitive bidding from a wider pool of investors);

(ii) terrain characteristics (estates with flatter terrain tend to incur lower operational costs);

(iii) age class structure (a relatively even age class profile is desirable for consistent and efficient forest management and log production);

(iv) transport distance to markets (transport of logs to mills and ports is a significant operational cost; log transport costs are reduced if the estate is close to its markets); and

(v) edaphic factors (there may be different tree growth potential between estates due to soil types, rainfall patterns, and temperature; hence estates with edaphic conditions that allow trees to grow faster – as captured in the yield projections – are generally favourable to valuation).

Taking into consideration the reasons above, a simple "dollar per hectare" basis was not adopted. However, Indufor takes into account the implied discount rate (the "**IDR**") from market transaction evidence in NZ and Australia in selecting an appropriate valuation discount rate.

Income Approach

Indufor considers that the income approach is the most appropriate valuation approach to value the Tree Crops, as it reflects the approach that market participants would typically apply when assessing the value of tree crops. Under this approach, projected cash flows are derived from the harvesting of the tree crops at the future log prices, based on a combination of current market prices, historical price trends and a review of the key market influences on log price movement. Appropriate cost estimates are applied based on current estate characteristics and likely future management intentions. The cash flow projections are then discounted to present value using an IDR, established with reference to market evidence.

VALUATION ASSUMPTIONS AND PARAMETERS

General assumptions

Indufor prepared the Valuation Report based on the following general assumptions:

(i) there will be no significant change in the relevant laws, regulations, or policies in NZ, no significant change in the economic conditions of NZ and no material hazardous issues associated with the Tree Crops;

(ii) the existing business approach and intention in managing the Tree Crops remain consistent with those currently adopted;

(iii) the operators will remain in full compliance with all relevant laws and regulations;

(iv) there are no force majeure or other unforeseeable factors that may give rise to material adverse impact on the Tree Crops; and

(v) true and complete information has been provided. The Company has supplied relevant information regarding the Tree Crops and their operating conditions for the purpose of the valuation.

Specific assumption and parameters

When applying the income approach, Indufor is required to use key assumptions and estimates in determining the value of the Tree Crops. This method involves the projection of a series of cash flows on the Tree Crops. A market-derived discount rate is applied to the projected cash flows in order to establish the present value of the income stream associated with the Tree Crops.

The duration of the cash flows and the specific timing of inflows and outflows are determined by certain events such as forecast yield across the relevant years. The periodic cash flow is estimated as gross income less production costs, transport costs, land holding costs, forestry management costs and forestry overhead costs. The series of periodic net operating income is then discounted back to the present.

The principal assumptions adopted in the projected cash flows are as follows:

(i) the projected cash flows are those arising from the current rotation of trees only. No account was taken of revenues or costs from re-establishment of following harvest, or of land not yet planted;

(ii) the projected cash flows do not take into account income tax and finance costs; and

(iii) the projected cash flows have been prepared in real terms and have not therefore included inflationary effects.

The key inputs in the valuation of the Tree Crops comprised of, among other matters, log price projections, discount rate and other unobservable inputs including plantation yield, production costs and transport costs.

Below is a quantitative summary of the key and other inputs to the valuation of Tree Crops under the DCF Approach adopted by Indufor:

As at 30 June 2025	**Range**	**Average**
Unobservable input		
Forecast unit log price at wharf gate (AWG)	NZ$115 – 144/$m^3$	NZ$128/$m^3$
Harvest yield (m^3/ha)	526 – 749	566
Production costs	NZ$48 – 69/$m^3$	NZ$55/$m^3$
Transport costs	NZ$14 – 42/$m^3$	NZ$29/$m^3$
Discount rate	7.0%	7.0%

Forecast unit log price at wharf gate (AWG)

Forecast log prices "at wharf gate" (the "**AWG**") price points adopted in the valuation model were determined by Indufor based on the average prices for the three-month period from April to June 2025 published. Current log prices remain below the long-term trend, and despite some short-term volatility, price levels are expected to be stagnant in the near term. Consequently, Indufor has assumed that log prices will remain flat in real terms for the period until 2027, and subsequently improve incrementally back to long-term trend levels from 2027 to 2029. From 2029 onwards, log prices are assumed to be flat in real terms.

Harvest yield (m^3/ha)

In estimating the respective future harvest yield, Indufor has used yield data, including expected harvest volume by log grade across a range of potential harvest ages provided by the Company, reviewed yield data against regional benchmarks, applied appropriate discount adjustment, and applied Indufor developed generic yield tables using the New Zealand Forecaster growth modelling software, where appropriate.

Production costs

Production costs mainly comprise the direct costs of roading, harvesting and transporting logs. Other harvest-related costs were also accounted for (where relevant), including pre-harvest inventory, supervision charges, harvest planning, weighbridge costs, log scaling (especially for export sales), phytosanitary treatments (also for export sales), and environmental management of harvesting operations. The production costs were determined with reference to the Company's recent actual costs, benchmarked against wider industry data in New Zealand. The productions costs applied in the valuation are generally within the range of benchmark costs observed in the wider New Zealand forestry sector.

Transport costs

Transport costs cover the direct costs of transporting logs from roadside landings in the plantations to the mill- or wharf-gate. Indufor has indexed the historical rates for the period January 2023 to May 2025 on NZD/tonne basis to 30 June 2025 using the NZ PPI – All Industries index. The rates are also converted to an NZD/m^3 basis using reliable weight to volume conversion factors. Indufor also considered factors such as, historical transport rates and actual transport costs incurred by the Company, in determining the transport costs.

Discount rate

In selecting an appropriate valuation discount rate, Indufor has considered several sources of evidence, including (i) implied discount rates based on asset transaction evidence including details provided in confidence by parties to a transaction, (ii) discount rates reportedly by forest investor surveys as published, (iii) discount rates declared for annual valuation purposes in financial statements of companies which are publicly available, and (iv) estimates derived from weighted average cost of capital formulations for a generic NZ forest asset.

SENSITIVITY ANALYSIS

Set out below is a sensitivity analysis of the Tree Crops value to changes in log price and production costs (excluding cartage costs), which are considered to be key assumptions or inputs likely to materially affect the valuation. The valuation of the Tree Crops is more sensitive to log price changes than to cost changes of the same magnitude.

	Increase/(decrease) in parameter	Increase/(decrease) in value
Change in log price		
If the log price increases	5%	NZ$15.10 million
If the log price decreases	(5%)	(NZ$15.10 million)
Change in production costs		
If the production costs increase	5%	(NZ$6.67 million)
If the production costs decrease	(5%)	NZ$6.67 million
Change in transport costs		
If the transport costs increase	5%	(NZ$3.36 million)
If the transport costs decrease	(5%)	NZ$3.36 million
Change in discount rate		
If the discount rate increases	1%	(NZ$10.10 million)
If the discount rate decreases	(1%)	NZ$13.25 million

The following is the text of a report received from the Reporting Accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of inclusion in this announcement.

INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF THE TREE CROPS

TO THE DIRECTORS OF GREENHEART GROUP LIMITED

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by Indufor Asia Pacific Limited dated 11 August 2025, of the tree crops (the "**Tree Crops**") as at 30 June 2025 (the "**Valuation**") is based. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and will be included in a further announcement dated 30 September 2025 to be issued by Greenheart Group Limited (the "**Company**") in connection with the disposal of the Tree Crops (the "**Announcement**").

Directors' Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and set out in the Announcement (the "**Assumptions**"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on whether the calculations of the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the Assumptions on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.60A(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions. Our work was limited primarily to making inquiries of the Company's management, considering the analyses and assumptions on which the discounted future estimated cash flows are based and checking the arithmetic accuracy of the compilation of the discounted future estimated cash flows. Our work does not constitute any valuation of the Tree Crops.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30 September 2025

The following is the letter received from the Financial Adviser, Red Sun Capital Limited, for the purpose of inclusion in this announcement.

Greenheart Group Limited
32A, 32/F., Fortis Tower
Nos. 77-79 Gloucester Road
Wanchai, Hong Kong

Attn.: Board of Directors

30 September 2025

Dear Sirs/Madams,

We refer to the announcements of Greenheart Group Limited (the "**Company**") dated 10 September 2025 and 30 September 2025 (collectively, the "**Announcements**") in respect of the disposal of the sale assets, including the Tree Crops, which constitutes a very substantial disposal transaction of the Company. Unless otherwise specified, terms used in this letter shall have the same meanings as those defined in the Announcements.

According to the Valuation Report dated 11 August 2025 prepared by Indufor Asia Pacific Limited (the "**Valuer**"), the appraised value of the Tree Crops as at 30 June 2025 used the discounted cash flow method under the income approach. On this basis, the valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules (the "**Profit Forecast**").

In accordance with the Company's instructions, we have reviewed the Profit Forecast, for which the Directors are solely responsible for. We have also discussed with the management of the Company and the Valuer regarding the bases and assumptions upon which the Profit Forecast has been made. We have also considered the letter from reporting accountants to the Company as set out in Appendix II to the announcement of the Company dated 30 September 2025 regarding the arithmetical accuracy of the calculations of the appraised value of the Tree Crops.

The Profit Forecast has been prepared using a set of assumptions that include hypothetical assumptions about future events and other assumptions that may or may not occur, actual results may differ from the Profit Forecast and the variation may be material. We have assumed that all information, materials and representations referred to or contained in the Valuation and Profit Forecast were true, accurate, complete and not misleading at the time they were supplied or made, and remained so up to the date of the Valuation and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, expressed or implied, is made by us on the accuracy, truth or completeness of such information, materials, opinions and/or representations.

On the basis of the foregoing, we confirm that the Profit Forecast, for which the Directors are solely responsible, have been made by the Directors after due and careful enquiry.

This letter is for the sole purpose of Rule 14.60A(3) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with this letter.

For and on behalf of
Red Sun Capital Limited
Lewis Lai
Managing Director