

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 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 (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 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 increase of not less than HK\$62.0 million (2021: HK\$1,265,000) in its net loss for the six months ended 30 June 2022 (the “**Period**”) as compared to the corresponding period in 2021.

The increase in loss attributable to equity holders of the Company was due to the net effect of the following:

- (i) a decrease in revenue contributed by New Zealand division of approximately HK\$54.3 million because of the decelerated demand from China stemming from the strict lockdown measures taken to prevent the spread of Omicron and the slowdown and stress in China’s real estate market, which together led to significantly lower average sales prices and quantity sold;
- (ii) a fair loss on plantation forest assets located in New Zealand of approximately HK\$44.3 million (2021: a gain of HK\$24,995,000) was recognized. Such decrease in fair value was primarily caused by unfavourable market conditions and higher operating costs, due to mainly the elevated inflation rate and rising fuel costs; and
- (iii) a reversal of provision for impairment on an earnest money of RMB20 million which was refunded to the Group during the Period.

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 have not yet been finalized as at the date of this announcement. Details of the performance of the Group for the six months ended 30 June 2022 will be disclosed in the unaudited consolidated interim results announcement of the Company, which is expected to be published before the end of August 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, 17 August 2022

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 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>