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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 30% in its net loss for the year ended 31 December 2023 (the “**Year**”) as compared to that of last year.

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

- (i) A decrease in revenue of approximately HK\$67,577,000 (2022: HK\$150,981,000) contributed by New Zealand division as compared with last year due to the reduction in sales volume, resulting from reduced demand caused by the slowdown and stress in China’s real estate market, and a reduction in the supply of logs from our own plantation forests;
- (ii) A non-cash fair value loss of approximately HK\$12,050,000 (2022: HK\$3,250,000) relating to the plantation forest assets located in New Zealand. The fair value loss was primarily attributed to the challenging market conditions and escalating operating costs driven by an elevated inflation rate; and

- (iii) An impairment loss on timber concessions and cutting rights of approximately HK\$75,519,000, which was due to the substantial rises in production costs, especially an increase in licence fees for holding concessions in Suriname and a significant increase in transport costs. These provisions were calculated based on the draft valuation report for the Year prepared by the independent valuer.

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 finalised 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 2024.

**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, 13 March 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>