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GREENHEART GROUP LIMITED

綠心集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 94)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “Board”) of directors (the “Directors”) of Greenheart Group Limited (“Greenheart” or the “Company”) announces the audited consolidated results of the Company and its subsidiaries (together the “Group”) for the year ended 31 December 2025, together with the comparative figures, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i> (Re-presented)
Continuing operations			
REVENUE	3	42,360	39,220
Cost of sales and services		<u>(36,973)</u>	<u>(34,743)</u>
Gross profit		5,387	4,477
Other income	5	894	1,432
Other gains and losses	5	(1,805)	2,831
Impairment losses reversed (recognised)			
on financial assets, net	6	163	(31)
Fair value gain (loss) on plantation forest assets		35,354	(65,847)
Share of loss of an associate		(27)	(43)
Selling and distribution costs		(6,039)	(5,882)
Administrative expenses		(46,753)	(31,397)
Finance costs	7	<u>(21,598)</u>	<u>(16,479)</u>

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Re-presented)
LOSS BEFORE TAX	8	(34,424)	(110,939)
Income tax credit	9	39,284	11,493
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		4,860	(99,446)
Discontinued operation			
Loss for the year from discontinued operation	11	(88,751)	(73,803)
LOSS FOR THE YEAR		(83,891)	(173,249)
OTHER COMPREHENSIVE INCOME (EXPENSE)			
Item that will not be reclassified subsequently to profit or loss			
Revaluation gain (loss) on forestry land		56,306	(3,575)
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		7,089	(20,012)
OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		63,395	(23,587)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		(20,496)	(196,836)
PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY			
From continuing operations		7,038	(99,446)
From discontinued operation		(107,386)	(39,792)
		(100,348)	(139,238)

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Re-presented)
LOSS (PROFIT) FOR THE YEAR			
ATTRIBUTABLE TO			
NON-CONTROLLING INTERESTS			
From continuing operations		(2,178)	–
From discontinued operation		18,635	(34,011)
		<u>16,457</u>	<u>(34,011)</u>
		(83,891)	(173,249)
		<u><u>(83,891)</u></u>	<u><u>(173,249)</u></u>
TOTAL COMPREHENSIVE INCOME			
(EXPENSE) FOR THE YEAR			
ATTRIBUTABLE TO OWNERS OF			
THE COMPANY			
From continuing operations		70,433	(123,033)
From discontinued operation		(107,386)	(39,792)
		<u>(36,953)</u>	<u>(162,825)</u>
		(36,953)	(162,825)
		<u><u>(36,953)</u></u>	<u><u>(162,825)</u></u>
TOTAL COMPREHENSIVE (EXPENSE)			
INCOME FOR THE YEAR			
ATTRIBUTABLE TO			
NON-CONTROLLING INTERESTS			
From continuing operations		(2,178)	–
From discontinued operation		18,635	(34,011)
		<u>16,457</u>	<u>(34,011)</u>
		(20,496)	(196,836)
		<u><u>(20,496)</u></u>	<u><u>(196,836)</u></u>
(LOSS) EARNINGS PER SHARE:			
From continuing and			
discontinued operations			
Basic	12	HK\$(0.043)	HK\$(0.067)
		<u><u>HK\$(0.043)</u></u>	<u><u>HK\$(0.067)</u></u>
From continuing operations			
Basic	12	HK\$0.003	HK\$(0.048)
		<u><u>HK\$0.003</u></u>	<u><u>HK\$(0.048)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		3,750	239,877
Right-of-use assets		12,003	21,581
Goodwill		5,651	5,651
Timber concessions and cutting rights		–	–
Plantation forest assets		39,891	295,750
Prepayments, deposits and other assets		349	323
Interest in an associate		1,441	1,404
		<hr/> 63,085	<hr/> 564,586
CURRENT ASSETS			
Inventories		–	4,285
Trade receivables	14	5,272	4,720
Prepayments, deposits and other assets		4,675	8,172
Amount due from a fellow subsidiary		373	352
Tax recoverable		69	5,709
Pledged bank deposit		–	2,182
Bank balances and cash		39,846	19,508
		<hr/> 50,235	<hr/> 44,928
Assets classified as held for sale	13	572,536	–
		<hr/> 622,771	<hr/> 44,928
CURRENT LIABILITIES			
Trade payables	15	9,024	8,042
Other payables and accruals		6,660	27,225
Contract liabilities		–	128
Lease liabilities		2,141	2,029
Loans from a fellow subsidiary		189,667	–
Tax payable		–	71
		<hr/> 207,492	<hr/> 37,495
Liabilities directly associated with assets classified as held for sale	13	22,456	–
		<hr/> 229,948	<hr/> 37,495

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
NET CURRENT ASSETS		392,823	7,433
TOTAL ASSETS LESS CURRENT LIABILITIES		455,908	572,019
NON-CURRENT LIABILITIES			
Lease liabilities		10,597	11,840
Loans from immediate holding company		217,992	210,667
Loans from a fellow subsidiary		35,794	191,863
Bank borrowing	16	–	21,817
Deferred tax liabilities		6,172	45,614
		270,555	481,801
NET ASSETS		185,353	90,218
CAPITAL AND RESERVES			
Equity attributable to owners of the Company			
Share capital		27,825	18,550
Reserves		560,340	582,671
		588,165	601,221
Non-controlling interests		(402,812)	(511,003)
TOTAL EQUITY		185,353	90,218

Notes:

1. GENERAL INFORMATION

The Company is a public limited company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent is Newforest Limited, a company incorporated in the Cayman Islands and its ultimate parent is Chow Tai Fook Capital Limited, a company incorporated in the British Virgin Islands.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is different from the functional currency of the Company, United States dollars (“US\$”). The Company is a public company with principal place of business in Hong Kong with its shares listed on the Stock Exchange, where most of its investors are located and therefore, the directors of the Company (the “Directors”) consider that HK\$ is preferable in presenting the operating results and financial position of the Group.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE

(i) Disaggregation of revenue from contracts with customers

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Re-presented)
Continuing operations		
Types of goods or services		
Sales of logs	37,416	33,860
Forest management fee	4,944	5,360
	<u>42,360</u>	<u>39,220</u>
Total revenue from contracts with customers	<u>42,360</u>	<u>39,220</u>
Timing of revenue recognition		
A point in time	37,416	33,860
Over time	4,944	5,360
	<u>42,360</u>	<u>39,220</u>
Total	<u>42,360</u>	<u>39,220</u>

Geographical markets

Information about the Group's revenue from external customers is presented based on the location of customers with reference to the billing address, regardless of the destination of the shipment:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Re-presented)
Continuing operations		
New Zealand*	42,360	39,220
	<u>42,360</u>	<u>39,220</u>

* *The revenue from customers located in New Zealand mainly related to sales under free on board terms with destinations in Mainland China, sales to domestic customers and forest management fee in New Zealand.*

(ii) **Performance obligations for contracts with customers**

Sales of logs

The Group sells logs to the domestic customers in New Zealand and overseas customers. Revenue from domestic customers is recognised at a point in time when control of the goods has been transferred at an agreed location. For overseas sales, revenue is recognised at a point in time when control of the goods has been transferred to the customers, when the goods have been delivered to port of discharge or the loading port to which the related shipping is arranged by the customers. Any shipping and handling activities before the customer obtains control of goods are considered as fulfilment activities and are not regarded as a separate performance obligation.

Sales-related warranties associated with logs cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications.

Forest management fee

The Group provides forest management services to customers. Such services are recognised as a performance obligation satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The Group bills a predetermined rate for services provided on a regular basis and recognises as revenue in the amount to which the Group has a right to invoice, which approximates the value of performance completed, in accordance with output method.

During the years ended 31 December 2025 and 2024, all performance obligations for sales of products and forest management fee are for the period less than one year. As permitted under HKFRS 15, the transaction price allocated to unsatisfied performance obligations as at 31 December 2025 and 2024 are not disclosed.

4. OPERATING SEGMENTS

The Group manages its businesses by geographical location, and the chief operating decision makers (i.e. the key management of the Group (the “Management”)) also review the segment information by such category to allocate resources to segments and to assess their performance. The Group has presented the following operating and reportable segment:

New Zealand: Softwood plantation management, log harvesting, marketing, sale and trading of logs and provision of forest management services

An operating and reportable segment regarding Suriname was discontinued during the year ended 31 December 2025. The segment information reported in this note does not include any amounts for this discontinued operation which is described in more detail in note 11.

No operating segment has been aggregated in arriving at the reportable segments of the Group.

Segment performance is evaluated by the Management based on reportable segment Adjusted EBITDA (as defined below), which is a measure of loss before tax and excluding finance costs, interest income and other non-cash items comprising depreciation, forest depletion cost as a result of harvesting, amortisation, fair value gain (loss) on plantation forest assets, impairment losses and reversal of impairment. In addition, the Management also reviews the abovementioned non-cash items, finance costs, interest income, earnings before interest, taxes, depreciation, and amortisation (“EBITDA”) and loss before tax for each reportable segment.

Segment assets exclude assets classified as held for sale, assets relating to discontinued operation, unallocated head office and unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude liabilities directly associated with assets classified as held for sale, liabilities relating to discontinued operation, unallocated head office and unallocated corporate liabilities as these liabilities are managed on a group basis.

The Group allocates property, plant and equipment, plantation forest assets, harvest roading costs included in prepayments, deposits and other assets, inventories and financial assets to segment assets whereas the related depreciation, forest depletion cost, fair value changes, amortisation and impairment losses are excluded in the segment results (“Adjusted EBITDA”).

Details of geographical segment information of the Group’s revenue from continuing operations are disclosed in note 3.

Segment revenue and results

The following table presents revenue, results, assets and liabilities and other information regarding the Group's operating segment for the year:

For the year ended 31 December 2025

Continuing operations

	New Zealand HK\$'000	Unallocated corporate items HK\$'000	Consolidated total HK\$'000
SEGMENT REVENUE – EXTERNAL	<u>42,360</u>	<u>–</u>	<u>42,360</u>
SEGMENT RESULTS (“Adjusted EBITDA”)	(12,370)	(16,302)	(28,672)
Reconciliation of the segment results:			
Items other than finance costs, income tax credit, forest depletion cost as a result of harvesting, depreciation and amortisation			
Fair value gain on plantation forest assets	35,354	–	35,354
Interest income	616	25	641
Reversal of impairment losses on trade receivables	163	–	163
Impairment of property, plant and equipment	<u>(8,321)</u>	<u>–</u>	<u>(8,321)</u>
EBITDA	15,442	(16,277)	(835)
Finance costs	(14,042)	(7,556)	(21,598)
Forest depletion cost as a result of harvesting*	(4,618)	–	(4,618)
Depreciation	(4,513)	(1,214)	(5,727)
Harvest roading costs*	<u>(1,646)</u>	<u>–</u>	<u>(1,646)</u>
LOSS BEFORE TAX	<u>(9,377)</u>	<u>(25,047)</u>	<u>(34,424)</u>
ASSETS			
Segment assets	97,652	15,668	113,320
Assets classified as held for sale			<u>572,536</u>
			<u>685,856</u>
LIABILITIES			
Segment liabilities	219,042	259,005	478,047
Liabilities directly associated with assets classified as held for sale			<u>22,456</u>
			<u>500,503</u>
Other segment information			
Capital expenditures [#]	<u>(5,379)</u>	<u>(24)</u>	<u>(5,403)</u>

[#] *Capital expenditures consist of additions to property, plant and equipment, right-of-use assets, harvest roading and plantation forest assets.*

^{*} *Included in “Cost of sales and services” in the consolidated statement of profit or loss and other comprehensive income.*

For the year ended 31 December 2024 (re-presented)

Continuing operations

	New Zealand <i>HK\$'000</i>	Unallocated corporate items <i>HK\$'000</i>	Consolidated total <i>HK\$'000</i>
SEGMENT REVENUE – EXTERNAL	39,220	–	39,220
SEGMENT RESULTS (“Adjusted EBITDA”)	628	(15,477)	(14,849)
Reconciliation of the segment results:			
Items other than finance costs, income tax credit, forest depletion cost as a result of harvesting, depreciation and amortisation			
Fair value loss on plantation forest assets	(65,847)	–	(65,847)
Interest income	1,186	21	1,207
Impairment losses recognised on trade receivables	(31)	–	(31)
EBITDA	(64,064)	(15,456)	(79,520)
Finance costs	(16,035)	(444)	(16,479)
Forest depletion cost as a result of harvesting*	(6,615)	–	(6,615)
Depreciation	(6,199)	(1,301)	(7,500)
Harvest roading costs*	(825)	–	(825)
LOSS BEFORE TAX	(93,738)	(17,201)	(110,939)
ASSETS			
Segment assets	579,812	7,905	587,717
Assets relating to discontinued operation			21,797
			609,514
LIABILITIES			
Segment liabilities	266,841	20,273	287,114
Liabilities directly relating to discontinued operation			232,182
			519,296
Other segment information			
Capital expenditures [#]	(10,976)	(3,635)	(14,611)

[#] Capital expenditures consist of additions to property, plant and equipment, right-of-use assets, harvest roading and plantation forest assets.

* Included in “Cost of sales and services” in the consolidated statement of profit or loss and other comprehensive income.

Geographical information

Information about the Group's non-current assets other than assets relating to discontinued operation and assets classified as held for sale (excluding those relating to prepayments, deposits and other assets and interest in an associate) is presented based on the geographical location of the assets.

	Non-current assets	
	2025	2024
	HK\$'000	HK\$'000
		(Re-presented)
New Zealand	59,552	545,514
Hong Kong	1,743	2,933
	<u>61,295</u>	<u>548,447</u>

Information about major customers

During the year ended 31 December 2025, the Group had transactions with one (2024: two) customer(s) who individually contributed over 10% of the Group's total revenue from continuing operations for the year ended 31 December 2025. A summary of revenue earned from each of these major customers is set out below:

	2025	2024
	HK\$'000	HK\$'000
Continuing operations		
Customer 1	29,148	21,097
Customer 2	N/A*	5,872

* *The corresponding revenue of the related customer did not contribute over 10% of the Group's total revenue from continuing operations.*

5. OTHER INCOME, GAINS AND LOSSES

Other income:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Re-presented)
Continuing operations		
Bank and other interest income	641	1,207
Others	253	225
	<u>894</u>	<u>1,432</u>

Other gains and losses:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Re-presented)
Continuing operations		
Gain on disposal of property, plant and equipment	15	–
Exchange (loss) gain	(641)	2,831
Impairment of property, plant and equipment	(1,179)	–
	<u>(1,805)</u>	<u>2,831</u>

6. IMPAIRMENT LOSSES REVERSED (RECOGNISED) ON FINANCIAL ASSETS, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Re-presented)
Continuing operations		
Net impairment losses reversed (recognised) on:		
– trade receivables in respect of goods and services	163	(31)
	<u>163</u>	<u>(31)</u>

7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Re-presented)
Continuing operations		
Interest on loans from immediate holding company	5,499	–
Interest on loans from a fellow subsidiary	13,808	13,639
Interest on bank borrowing	1,319	1,830
Interest on lease liabilities	972	1,010
	<u>21,598</u>	<u>16,479</u>

8. LOSS BEFORE TAX

The Group's loss before tax for the year from continuing operations has been arrived at after charging (crediting):

	2025 HK\$'000	2024 HK\$'000 (Re-presented)
Continuing operations		
Cost of inventories sold*	31,807	30,152
Cost of services rendered*	3,520	3,766
Forest harvested as agricultural produce	4,258	6,975
Amount capitalised in closing inventories	–	(360)
Amount released from opening inventories	360	–
	<u>4,618</u>	<u>6,615</u>
Forest depletion cost as a result of harvesting***	<u>4,618</u>	<u>6,615</u>
Depreciation of:		
– property, plant and equipment	3,212	4,569
– right-of-use assets	2,515	2,931
Harvest roading costs*	1,646	825
Impairment of property, plant and equipment****	8,321	–
Foreign exchange losses (gains), net**	1,407	(4,113)
Auditor's remuneration		
– Audit service	2,060	2,170
– Non-audit services	870	700
	<u>2,930</u>	<u>2,870</u>
Employee benefits expenses (including Directors' remuneration)***:		
– Salaries and allowances	17,032	16,655
– Pension scheme contributions (defined contribution scheme)	227	246
	<u>17,259</u>	<u>16,901</u>

* Included in "Cost of sales and services" in the consolidated statement of profit or loss and other comprehensive income.

** Foreign exchange losses (gains), net are classified based on the nature of the transactions or events which give rise to those foreign exchange gains or losses. Foreign exchange loss of HK\$713,000 (2024: gain of HK\$1,623,000), foreign exchange loss of HK\$641,000 (2024: gain of HK\$2,831,000), and foreign exchange loss of HK\$53,000 (2024: HK\$341,000, re-presented) are included in "Cost of sales and services", "Other gains and losses", and "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income, respectively.

*** These costs and employee benefits expenses of HK\$4,340,000 (2024: HK\$4,962,000, re-presented) are included in "Cost of inventories sold" and "Cost of services rendered".

**** Impairment of property, plant and equipment of HK\$7,142,000 and HK\$1,179,000 are included in "Administrative expenses" and "Other gains and losses", respectively.

9. INCOME TAX CREDIT

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Re-presented)
Continuing operations		
Current tax – other jurisdictions		
Under provision in prior years	7	813
	<u>7</u>	<u>813</u>
Current tax expense	7	813
Deferred tax credit	<u>(39,291)</u>	<u>(12,306)</u>
	<u><u>(39,284)</u></u>	<u><u>(11,493)</u></u>

The Group is operating in jurisdictions where the Global Anti-base Erosion Rules (“Pillar Two Rules”) are effective. However, as the Group’s consolidated annual revenue is expected to be less than Euro750,000,000 in at least two of the four fiscal years preceding the tested year, the Management of the Group considers the Group is not liable to top-up tax under the Pillar Two Rules.

No provision for Hong Kong profits tax has been made for the years ended 31 December 2025 and 2024 as the Group did not generate any assessable profits arising in Hong Kong.

Subsidiaries established in New Zealand are subject to the relevant tax rules and regulations of New Zealand at the statutory tax rate of 28%.

10. DIVIDENDS

During the current year, a special dividend of HK\$0.01 per ordinary share totalling HK\$27,824,866, based on 2,782,486,584 ordinary shares, had been proposed by the Board and approved by the shareholders at the shareholders' meeting on 24 November 2025, subject to the completion of the disposal of the 78 parcels of land located in the Mangakahia Forest, Northland region of New Zealand (the "Sale Assets 1") and a parcel of land located in the Ormond Valley, Gisborne region of New Zealand (the "Sale Assets 2").

Subsequent to the end of the reporting period, on 2 February 2026, the Board announced the distribution of such dividend on 17 March 2026 as the dispose of the Sale Assets 1 and the Sale Assets 2 in New Zealand was completed on 30 January 2026. On 17 March 2026, the special dividend was paid for ordinary shareholders of the Company.

Save as disclosed above, no other dividend was paid or proposed by the Directors for both years, nor has any dividend been proposed since the end of the reporting period.

11. DISCONTINUED OPERATION

The Suriname operation recorded negative results for each of the years ended 31 December 2022, 2023 and 2024 and, consequently, suffered from a significant decline in asset value over the years, despite continuous management efforts to improve its operations and results. To improve the financial sustainability and enable the Management to focus resources on the Group's other businesses, the Group disposed of the majority of its loss-making subsidiaries in Suriname during the year ended 31 December 2025.

On 28 March 2025, the Group entered into a master sale and purchase agreement with an independent third party to dispose of 100% equity interests of 15 subsidiaries and 60% equity interest of a subsidiary in Suriname. The Group's Suriname operation is treated as discontinued operation. The disposal was completed on 28 March 2025, on which date the control of the majority of its loss-making subsidiaries in Suriname passed to the acquirer.

The loss for the year from the discontinued Suriname operation is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the Suriname operation as discontinued operation.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss of Suriname operation for the year	(6,245)	(73,803)
Loss on disposal of Suriname operation	(82,506)	–
	(88,751)	(73,803)

The results of the Suriname operation for the year, which have been included in the consolidated statement of profit or loss and other comprehensive income were as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue		
Contracts with customers – sales of logs and timber products	926	10,150
Leases – subcontracting fee income	631	2,502
Total revenue	1,557	12,652
Cost of sales	(3,932)	(75,741)
Gross loss	(2,375)	(63,089)
Other income	314	547
Impairment losses reversed on financial assets, net	–	39
Selling and distribution costs	(373)	(3,475)
Administrative expenses	(1,985)	(7,251)
Finance costs	(1,826)	(8,155)
Loss before tax	(6,245)	(81,384)
Income tax credit	–	7,581
Loss for the year	(6,245)	(73,803)
Cash flows from discontinued operation		
Net cash used in operating activities	(3,040)	(9,115)
Net cash used in investing activities	(99)	(101)

The Group's loss before tax of the discontinued operation has been arrived at after charging (crediting):

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost of inventories sold (including net write-down of inventories)	3,932	28,817
Amortisation of timber concessions and cutting rights	–	1,680
Depreciation of:		
– property, plant and equipment	142	1,900
– right-of-use assets	83	1,922
Impairment of property, plant and equipment	–	22,378
Impairment of right-of-use assets	–	5,842
Impairment of timber concessions and cutting rights	–	20,055
Net write-down of inventories	344	245
Foreign exchange losses, net	96	385
Auditor's remuneration – audit service	120	310
Employee benefits expenses:		
– Salaries and allowances	2,222	13,701
– Pension scheme contributions (defined contribution scheme)	12	58
	<u>2,234</u>	<u>13,759</u>
	<u>2,234</u>	<u>13,759</u>

The net liabilities of these subsidiaries at the date of disposal were as follows:

	<i>HK\$'000</i>
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	6,540
Right-of-use assets	7,647
Inventories	1,590
Trade receivables	498
Prepayments, deposits and other assets	3,501
Bank balances and cash	99
Trade payables	(1,790)
Other payables and accruals	(19,473)
Tax payable	(70)
	<hr/>
Net liabilities disposed of	(1,458)
	<hr/> <hr/>
Consideration received:	
Cash received (US\$1)	–
	<hr/> <hr/>
(Gain) loss on disposal of subsidiaries:	
Consideration received (US\$1)	–
Net liabilities disposed of	(1,458)
Non-controlling interests	83,964
	<hr/>
Loss on disposal	82,506
	<hr/> <hr/>
Net cash outflows arising on disposal	
Consideration received (US\$1)	–
Less: cash and cash equivalent disposed of	(99)
	<hr/>
	(99)
	<hr/> <hr/>

12. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic loss per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	<u>(100,348)</u>	<u>(139,238)</u>
	2025	2024 (Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>2,348,829,143</u>	<u>2,072,688,531</u>

The weighted average number of ordinary shares for the purposes of basic loss per share for the years ended 31 December 2025 and 2024 has been adjusted for the rights issue completed on 12 August 2025. The weighted average number of shares for the year ended 31 December 2024 was restated, as if the rights issue had occurred at the beginning of 1 January 2024.

No diluted loss per share is presented as there were no potential ordinary shares in issue for the current and prior years.

From continuing operations

The calculation of the basic earnings (loss) per share from continuing operations attributable to the owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit (loss) figures are calculated as follows:		
Loss for the year attributable to owners of the Company	(100,348)	(139,238)
Less: loss for the year from discontinued operation attributable to owners of the Company	<u>(107,386)</u>	<u>(39,792)</u>
Profit (loss) for the year attributable to owners of the Company for the purposes of basic earnings (loss) per share from continuing operations	<u>7,038</u>	<u>(99,446)</u>

The denominators used are the same as those detailed above for basic loss per share from continuing and discontinued operations.

No diluted earnings (loss) per share is presented as there were no potential ordinary shares in issue for the current and prior years.

From discontinued operation

Basic loss per share from discontinued operation is HK\$0.046 per share (2024: HK\$0.019 per share) based on the loss for the year attributable to owners of the Company from discontinued operation of HK\$107,386,000 (2024: HK\$39,792,000) and the denominators detailed above for basic loss per share from continuing and discontinued operations.

No diluted loss per share is presented as there were no potential ordinary shares in issue for the current and prior years.

13. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 29 August 2025, Greenheart Mangakahia Forest Land Limited and Greenheart Papakorakora Forest NZ Limited, each being an indirect wholly-owned subsidiary of the Company, and the Company entered into the agreement for sale and purchase of real estate (the “SPA 1”) with Ingka Investments Forest Assets NZ Limited (“Ingka”), an independent third party, in relation to the disposal of the Sale Assets 1 and the Sale Assets 2.

On the same date, Greenheart Mangakahia Forest Māori Land Limited, being an indirect wholly-owned subsidiary of the Company, and the Company entered into the agreement for sale and purchase of real estate (the “SPA 2”) with Ingka, in relation to the disposal of a parcel of land located in the Mangakahia Forest, Northland region of New Zealand (the “Sale Assets 3”).

The SPA 1 and the SPA 2 were approved by shareholders at the special general meeting (the “SGM”) held on 24 November 2025.

Subsequent to the end of the reporting period, on 30 January 2026, the disposal of the Sale Assets 1 and the Sale Assets 2 was completed.

Further details are set out in (i) the Company’s announcements dated 10 September 2025, 30 September 2025, 19 December 2025 and 2 February 2026; (ii) the circular of the Company dated 7 November 2025; and (iii) the poll results announcement of the Company for the SGM dated 24 November 2025.

As at 31 December 2025, the disposal of the Sale Assets 1, the Sale Assets 2 and the Sale Assets 3 were not yet completed and the assets and liabilities of the related assets, which are expected to be sold within twelve months, have been classified as assets and liabilities directly associated with assets held for sale and are presented separately in the consolidated statement of financial position, are as follows:

	2025
	HK\$'000
Property, plant and equipment	281,001
Plantation forest assets	289,289
Pledged bank deposit	2,246
	<hr/>
Assets classified as held for sale	572,536
	<hr/> <hr/>
Bank borrowing (<i>note 16</i>)	22,456
	<hr/>
Liabilities directly associated with assets classified as held for sale	22,456
	<hr/> <hr/>

The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no further impairment loss has been recognised.

14. TRADE RECEIVABLES

	2025	2024
	HK\$'000	HK\$'000
Trade receivables		
– contracts with customers	11,293	11,676
– operating lease receivables	–	225
	<hr/>	<hr/>
	11,293	11,901
Less: Allowance for credit losses		
– contracts with customers	(6,021)	(7,178)
– operating lease receivables	–	(3)
	<hr/>	<hr/>
Net trade receivables	5,272	4,720
	<hr/> <hr/>	<hr/> <hr/>

As at 1 January 2024, trade receivables from contracts of customers amounted to HK\$17,041,000.

For contracts with customers, trade receivables are recognised when the Group's products are delivered to customers because the Group's right to consideration is unconditional except for the passage of time from that point. Moreover, the Group receives payment within a short period of time after satisfying its performance obligation under separately determined payment terms. The period from satisfaction of the performance obligation to receipt of full consideration is usually within 90 days.

The Group's trading terms with its customers are mainly letters of credit at sight to 30 days or on open account with credit terms of 5 days to 30 days, where a 20% to 100% of advance payment of the contract value may be required for certain customers. Each open account customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables so as to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The following is an aged analysis of trade receivables based on the invoice date and net of impairment at the end of each reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	5,198	4,612
From 1 to 3 months	74	–
Over 3 months	–	108
	<u>5,272</u>	<u>4,720</u>

As at 31 December 2025, included in the Group's trade receivable balances were debtors with aggregate carrying amount of HK\$74,000 (2024: HK\$108,000) which were past due as at the reporting date. Out of the past due balances, HK\$74,000 (2024: HK\$108,000) were past due 30 days or more but are not considered as credit-impaired having regard to the historical repayment from the trade debtors, as well as forward-looking information that is available without undue cost or effort. Over 99% trade receivable balances at 31 December 2025 have been subsequently settled.

15. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	8,914	5,917
From 1 to 3 months	–	74
Over 3 months	110	2,051
	<u>9,024</u>	<u>8,042</u>

The trade payables are trade in nature, non-interest-bearing and are normally settled on 30-day terms.

16. BANK BORROWING

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank loan, secured	<u>22,456</u>	<u>21,817</u>
The carrying amount of above borrowing is repayable*:		
Within one year	22,456	–
Within a period of more than one year but not exceeding two years	<u>–</u>	<u>21,817</u>
	22,456	21,817
Less: Amount due within one year shown under liabilities directly associated with assets classified as held for sale (<i>note 13</i>)	<u>(22,456)</u>	<u>–</u>
Amount shown under non-current liabilities	<u>–</u>	<u>21,817</u>

* *The amount is based on scheduled repayment dates set out in the loan agreements.*

During the year ended 31 December 2024, the Group's bank loan facilities from the Bank of New Zealand ("BNZ Loan Facilities") were renegotiated with final maturity date extended from 1 May 2025 to 1 May 2026 and the interest rate increased from the base rate plus 1.15% per annum to the base rate plus 1.35% per annum.

The Group's bank loan from BNZ Loan Facilities was denominated in NZ\$ (2024: NZ\$), bearing interest at the base rate plus 1.35% (2024: base rate plus 1.35%) per annum and repayable on 1 May 2026 (2024: 1 May 2026) and the total amount of loan facilities was NZ\$5,000,000 (2024: NZ\$5,000,000), which was fully utilised as at 31 December 2025 and 2024.

As at 31 December 2025 and 2024, the BNZ Loan Facilities were secured by:

- (i) all the present and after-acquired property (the "Personal Property") of certain indirectly wholly-owned subsidiaries of the Company (the "Selected Group Companies"); and

- (ii) a fixed charge over:
- (a) the Group's forestry land (located in New Zealand) with carrying amount of approximately HK\$190,521,000 (2024: HK\$132,265,000);
 - (b) the Group's plantation forest assets (located in New Zealand) with carrying amount of approximately HK\$329,180,000 (2024: HK\$295,750,000) and all other estates and interests in the forestry land and all buildings, structures and fixtures on the forestry land;
 - (c) all other present and after-acquired property that is not Personal Property of the Selected Group Companies; and
 - (d) the Group's pledged bank deposit with carrying amount of approximately HK\$2,246,000 (2024: HK\$2,182,000).

The exposure of the Group's bank borrowing was as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Floating rate	22,456	21,817

Subsequent to the end of the reporting period, on 30 January 2026, the Group repaid the bank borrowing following the completion of the disposal of the Sale Assets 1 and the Sale Assets 2 in New Zealand on the same date.

17. EVENTS AFTER THE REPORTING PERIOD

On 30 January 2026, the Group completed the disposal of the Sale Assets 1 and the Sale Assets 2 and received cash consideration of NZ\$133,470,000 (equivalent to HK\$626,824,000) and repaid the bank borrowing of NZ\$5,000,000 (equivalent to HK\$23,482,000).

On 2 February 2026, the Board announced the distribution of special dividend on 17 March 2026 as the dispose of the Sale Assets 1 and the Sale Assets 2 in New Zealand was completed on 30 January 2026. On 17 March 2026, the special dividend was paid for ordinary shareholders of the Company.

Save as disclosed in other sections of these consolidated financial statements, no other significant events occurred subsequent to the end of the reporting period.

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the board (the “Board”) of directors (the “Directors”) of Greenheart Group Limited (the “Company”) and its subsidiaries (collectively, the “Group”), I am pleased to present to the shareholders of the Company the annual results of the Group for the year ended 31 December 2025.

This year marked a significant turning point for the Group. We took decisive actions to streamline our operations, strengthen our financial position and enhance our strategic flexibility for the future.

Disposal of Suriname Operation

After several years of recurring losses and operational challenges, the Group completed the disposal of the majority of its loss-making Suriname subsidiaries to an independent third party during the year. The Suriname division had recorded negative results for consecutive years, requiring substantial financial and management resources.

This disposal enables the Group to orderly exit from a non-performing segment and eliminate the ongoing financial burden associated with these operations. Following the cessation of the Suriname business, the Group is now better positioned to focus its resources on the opportunities that can offer stronger long-term prospects and sustainable returns.

Very Substantial Disposal of New Zealand Assets

In September 2025, the Group announced the very substantial disposal of its New Zealand plantation forest assets and land. The transaction of the SPA 1 of the very substantial disposal, which represents the bulk of the transaction value, was successfully completed on 30 January 2026.

The completion of this transaction represents a significant milestone. It has enabled the Group to immediately unlock value from its long-term forestry assets. This move significantly strengthens our liquidity position and provides meaningful capital for future deployment.

Importantly, the proceeds from the disposal also allow the Group to reduce debt in the current high interest rate environment. By lowering leverage and finance costs, the Group enhances its financial resilience and capacity to respond effectively to future market developments and opportunities.

Prospects

Following these initiatives, the Group enters 2026 with a strengthened balance sheet. We will continue to take appropriate steps to streamline the remaining legacy arrangements associated with the Suriname business, with the objective of further simplifying the Group's corporate and operational structure.

Looking ahead, the Group will actively seek suitable investment opportunities capable of generating sustainable returns. While New Zealand remains a market the Group possesses deep operational experience, we will also explore opportunities across the broader Asia-Pacific region.

The Board remains committed to a disciplined investment approach, carefully evaluating potential opportunities with a focus on risk management, capital efficiency and long-term value creation for our shareholders.

Appreciation

On behalf of the Board, I would like to express my sincere appreciation to our shareholders, business partners and employees for their continued support. I would also like to extend my gratitude to our management team and staff for their dedication and perseverance in executing these transformative strategic initiatives during the year.

Cheng Chi-Him, Conrad

Non-executive Chairman

Hong Kong, 20 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31 December 2025, the Group recorded a net loss of HK\$83,891,000 (2024: HK\$173,249,000) from continuing and discontinuing operations. The reduction in net loss was primarily attributable to (i) a fair value gain on plantation forest assets located in New Zealand recognised in connection with the very substantial disposal announced on 10 September 2025; and (ii) the corresponding deferred income tax credit arising from such disposal. These factors were partially offset by (iii) disposal-related costs incurred in relation to the disposal; and (iv) a loss from discontinued operation from Suriname division.

Discontinued Operation – Suriname Division

The Suriname segment recorded negative results for each of the years ended 31 December 2022, 2023 and 2024 and, consequently, suffered from a significant decline in asset value over the years, despite continuous management efforts to improve its operations and results. To improve the financial sustainability and enable the management to focus resources on the Group's other businesses, the Group disposed of the majority of its loss-making subsidiaries in Suriname during the year ended 31 December 2025 and then ceased the operation in Suriname. The aforementioned disposal was made to an independent third party and the proceeds from the disposal were insignificant. A loss of HK\$88,751,000 (2024: HK\$73,803,000, re-presented) from the discontinued operation was recorded during the year ended 31 December 2025.

Continuing Operations

Revenue

The Group's total revenue from continuing operations (i.e. New Zealand division) for the year ended 31 December 2025 increased by 8.0% to HK\$42,360,000. The increase was primarily due to the increase in sales volume as shipments originally scheduled for December 2024 were deferred to January 2025 due to vessel scheduling. However, the average export selling price on free on board reduced by 5.0% to US\$76 per m³ (2024: US\$80 per m³) because the demand from China remained low in 2025.

Meanwhile, revenue from forest management services decreased slightly by 7.8% or HK\$416,000 because of the decrease in harvesting activities in third party forests managed by the Group.

Gross profit

The Group recorded a gross profit from continuing operations (i.e. New Zealand division) of HK\$5,387,000 (2024: HK\$4,477,000, re-presented) during the year ended 31 December 2025. The Group's gross profit margin for the year ended 31 December 2025 was 12.7% (2024: 11.4%, re-presented), benefiting from lower operating costs due to the depreciation of New Zealand dollars ("NZD") in 2025.

Other income

Other income from continuing operations primarily represented bank interest income.

Other gains and losses

Other gains and losses from continuing operations for the year ended 31 December 2025 mainly represented impairment of property, plant and equipment under assets classified as held for sale located in New Zealand.

Impairment losses reversed on financial assets, net

Impairment losses reversed on financial assets from continuing operations mainly represented reversal of the expected credit losses (“ECL”) on trade receivables as a result of settlements received during the year ended 31 December 2025.

Fair value gain on plantation forest assets

The fair value gain on our plantation forest assets in New Zealand amounted to HK\$35,354,000 (2024: loss of HK\$65,847,000). The fair value gain was primarily a reflection of the premium embedded in the purchaser’s offer price for the plantation forest assets under the very substantial disposal announced on 10 September 2025.

Selling and distribution costs

The selling and distribution costs from continuing operations (mainly including trucking, export handling expenses and logistic-related costs arising from the sale of logs) for the year ended 31 December 2025 increased by HK\$157,000 or 2.7%. Such increase was the net effect of the increase in sales volume and the depreciation of NZD for the year ended 31 December 2025.

Administrative expenses

Administrative expenses from continuing operations for the year ended 31 December 2025 increased by 48.9% or HK\$15,356,000, primarily due to (i) impairment losses recognised on certain property, plant and equipment classified as held for sale; (ii) increase in forest maintenance fee caused by the completion of harvesting cycle in one of our largest plantation forest assets; and (iii) legal and professional fees incurred in connection with the very substantial disposal announced on 10 September 2025.

Finance costs

Finance costs from continuing operations for the year ended 31 December 2025 increased by 31.1% or HK\$5,119,000. Such increase was primarily due to the increase in the amount advanced from a fellow subsidiary in 2025 and the increase in the interest on loans from immediate holding company allocated to continuing operations, which were allocated to Suriname division in previous years.

Income tax credit

Income tax credit from continuing operations for the year ended 31 December 2025 was mainly deferred tax credit from New Zealand division. It was mainly due to the taxable temporary differences arising from the de-recognition of tax losses, fair value gain on New Zealand plantation forest assets, different amortisation/depreciation rates for tax and accounting purposes in relation to the New Zealand forest roads assets and foreign currency denominated deferred tax liabilities.

Negative EBITDA

The negative EBITDA from continuing operations decreased from HK\$79,520,000 (re-presented), in 2024 to HK\$835,000 in 2025. The improvement was mainly attributable to the fair value gain on plantation forest assets in New Zealand as mentioned above.

Profit for the year attributable to owners of the Company

As a result of the aforementioned, the profit attributable to owners of the Company from continuing operations was HK\$7,038,000 for the year ended 31 December 2025 (2024: loss of HK\$99,446,000, re-presented).

Additional information related to valuations of plantation forest assets

Except for the plantation forest assets under assets classified as held for sale as at 31 December 2025, the Group's plantation forest assets were independently valued by Indufor Asia Pacific Limited ("Indufor") as at 31 December 2025. Indufor is an independent professional forest specialist consulting firm. The key valuers involved in the valuations are members of the New Zealand Institute of Forestry, they have no present or prospective interest in the Group's plantation forest assets, and have no personal interest or bias with respect to the Group. In the opinion of the Directors, Indufor is independent and competent to determine the fair value of the Group's plantation forest assets.

As part of the independent valuation, a ground inspection was conducted by Indufor in relation to certain areas of the Group's plantation forest assets to verify their physical existence and quality in 2025. In addition, a high level area validation exercise using satellite imagery was performed for the Group's plantation forest assets with a total land area of 2,595 hectares (2024: 15,306 hectares). The area verification covered the entire planted forest area.

The quality of the radiata pine is also assessed based on three criteria: the forest health, yield and grade mix. A high-level review of the status and general health and quality of the plantation forest assets mainly included:

- (a) comparing the status of plantation information provided by the forest manager with the results of the ground inspection in relation to the health and quality of the plantation conducted by Indufor;
- (b) assessment of the yield and grade mix of the plantation forest assets based on (i) the actual harvesting records obtained from the forest manager since the acquisition of the plantation forest assets; and (ii) the yield tables prepared by the previous owners of the plantation forest assets which the Group obtained during due diligence in previous years; and
- (c) comparing the forest planted area maps provided by the forest manager with a sample of newly planted stands inspected by Indufor during the field inspection.

LIQUIDITY AND FINANCIAL REVIEW

As at 31 December 2025, the Group's current assets and current liabilities were HK\$622,771,000 and HK\$229,948,000 respectively (31 December 2024: HK\$44,928,000 and HK\$37,495,000), HK\$39,846,000 (31 December 2024: HK\$19,508,000) of which were bank balances and cash. The Group's outstanding borrowings as at 31 December 2025 represented the loans from immediate holding company amounting to HK\$217,992,000 (31 December 2024: HK\$210,667,000), loans from a fellow subsidiary amounting to HK\$225,461,000 (31 December 2024: HK\$191,863,000), bank borrowing amounting to HK\$22,456,000 (31 December 2024: HK\$21,817,000) and lease liabilities of HK\$12,738,000 (31 December 2024: HK\$13,869,000). Accordingly, the Group's gearing ratio as of 31 December 2025, which was calculated on the basis of outstanding borrowings as a percentage of equity attributable to owners of the Company, was 81.4% (31 December 2024: 72.9%).

As at 31 December 2025, there were 2,782,486,584 (2024: 1,854,991,056) ordinary shares of the Company in issue. The Group adopts conservative treasury policies in cash and financial management. Cash is generally placed in short-term deposits mostly denominated in United States dollars and Hong Kong dollars. The Group's liquidity and financing requirements are reviewed regularly.

Most of the Group's sales are denominated in United States dollars, to which the Hong Kong dollars is pegged. The majority of the Group's outstanding borrowings, and the majority of costs and expenses incurred in Hong Kong and Suriname are also denominated in United States dollars. The domestic sales generated from the New Zealand plantation forest assets, the forest management fee income from the New Zealand division and bank borrowing from the Bank of New Zealand are denominated in New Zealand dollars, which helps to partially offset the Group's operating expenses payable in New Zealand dollars. During the year ended 31 December 2025, the Group did not use any financial instruments for hedging purposes and the Group did not have any hedging instruments outstanding as at 31 December 2025. However, we will continue to closely monitor all possible exchange risk arising from the Group's existing operations and any new investments and will implement the necessary hedging arrangement(s) to mitigate any significant foreign exchange exposure.

The Group's bank loan facilities are subject to the fulfilment of certain financial covenants as required by the Bank of New Zealand. During the year ended 31 December 2025, all financial covenants related to the bank loan facilities were met.

PROSPECTS

As we move through 2026, the global forestry market continues to present a mixed environment. While the domestic indicators in New Zealand have shown signs of gradual recovery, the Group's primary export markets continue to experience structural adjustments and macroeconomic headwinds.

New Zealand Division

The New Zealand softwood log market remained challenging at the beginning of 2026. In China, the Group's largest export market, the cost and freight prices for A-grade logs have declined to approximately US\$110 per JAS m³ to US\$112 per JAS m³, representing one of the weakest starts to a year in the past two decades. This reflects subdued demand in the Chinese property sector while the log supply from New Zealand has remained relatively stable.

Domestically, the New Zealand market has shown signs of recovery. Demand for structural timber has improved alongside a recovery in residential construction activity. Building consents increased by approximately 21% year-on-year in late 2025, although this improvement has yet to fully translate into higher wharf-gate log prices, which currently range between NZ\$110 per JAS m³ and NZ\$121 per JAS m³ in the North Island.

Suriname Division

Following the disposal of the majority of its Suriname operating subsidiaries in March 2025, the Group has eliminated a significant source of historical operating losses and operational complexity.

In 2026, the management intends to continue the orderly wind-down of the remaining dormant Suriname entities. This process will involve the gradual liquidation or striking off of residual holding entities where appropriate.

The completion of this exit strategy will allow the Group to fully redirect management resources and financial capital toward its New Zealand operations and potential new investment opportunities.

Outlook

Looking ahead, the Group will focus on strengthening its financial position and enhancing operational flexibility. Following the completion of SPA 1 of the very substantial disposal on 30 January 2026, the Group received gross proceeds of approximately NZ\$133,470,000, part of which was used to fully repay its NZ\$5,000,000 bank loan with the Bank of New Zealand, thereby reducing finance costs.

The Group also plans to repay outstanding related party loans associated with its New Zealand operations as they fall due, further strengthening the balance sheet. At the same time, the management will continue to pursue its asset-light approach by selectively acquiring forest cutting rights in New Zealand to supplement woodflow and support revenue generation alongside the Group's existing forestry cutting rights.

In addition, the Group will explore selective plantation investment opportunities within the Asia Pacific region to diversify geographical exposure and support long-term growth.

CHARGE ON ASSETS

As at 31 December 2025 and 2024, the Group's bank loan facilities were secured by:

- (i) all the present and after-acquired property (the "Personal Property") of certain indirect wholly-owned subsidiaries of the Company (the "Selected Group Companies"); and

(ii) a fixed charge over:

- a. the Group's forestry land (located in New Zealand) with carrying amount of approximately HK\$190,521,000 (2024: HK\$132,265,000) ("Forestry Land");
- b. the Group's plantation forest assets (located in New Zealand) with carrying amount of approximately HK\$329,180,000 (2024: HK\$295,750,000) and all other estates and interests in the Forestry Land and all buildings, structures and fixtures on the Forestry Land;
- c. all other present and after-acquired property that is not Personal Property of the Selected Group Companies; and
- d. the Group's pledged bank deposit with carrying amount of approximately HK\$2,246,000 (2024: HK\$2,182,000).

CAPITAL EXPENDITURE

During the year ended 31 December 2025, the Group incurred capital expenditure of approximately HK\$760,000 (2024: HK\$1,187,000) on investment in property, plant and equipment.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any significant contingent liabilities (2024: nil).

EVENTS AFTER THE END OF THE REPORTING PERIOD

Details of the significant events after the end of the reporting period of the Group are set out in note 17 to the consolidated financial statements contained in this announcement.

BUSINESS ACQUISITION AND DISPOSAL

On 28 March 2025, the Group entered into a master sale and purchase agreement with an independent third party to dispose of the entire equity interests of 15 indirectly wholly-owned subsidiaries and 60% equity interest of an indirectly owned subsidiary of the Company in Suriname at a nominal consideration (the "Suriname Disposal"). These disposed subsidiaries in Suriname recorded losses for each of the years ended 31 December 2022, 2023 and 2024 and, consequently, suffered from a significant decline in asset value over the years, and each carried net liabilities. For further details, please refer to note 11 to the consolidated financial statements contained in this announcement.

On 29 August 2025, Greenheart Mangakahia Forest Land Limited and Greenheart Papakorakora Forest NZ Limited, each being an indirect wholly-owned subsidiary of the Company, and the Company entered into the agreement for sale and purchase of real estate (the “SPA 1”) with Ingka Investments Forest Assets NZ Limited, an independent third party, in relation to the disposal of 78 parcels of land located in the Mangakahia Forest, Northland region of New Zealand (the “Sale Assets 1”) and a parcel of land located in the Ormond Valley, Gisborne region of New Zealand (the “Sale Assets 2”).

On the same date, Greenheart Mangakahia Forest Māori Land Limited, being an indirect wholly-owned subsidiary of the Company, and the Company entered into the agreement for sale and purchase of real estate (the “SPA 2”) with Ingka Investments Forest Assets NZ Limited, an independent third party, in relation to the disposal of a parcel of land located in the Mangakahia Forest, Northland region of New Zealand (the “Sale Assets 3”).

The SPA 1 and the SPA 2 were approved by shareholders at the special general meeting held on 24 November 2025. As at 31 December 2025, the disposal of the Sale Assets 1, the Sale Assets 2 and the Sale Assets 3 were not yet completed.

Subsequent to the end of the reporting period, on 30 January 2026, the disposal of the Sale Assets 1 and the Sale Assets 2 was completed.

Further details are set out in (i) the Company’s announcements dated 10 September 2025, 30 September 2025, 19 December 2025 and 2 February 2026; (ii) the circular of the Company dated 7 November 2025; and (iii) the poll results announcement of the Company for the special general meeting dated 24 November 2025. For further details, please refer to note 13 to the consolidated financial statements contained in this announcement.

Save as disclosed above, the Group had no other material business acquisitions or disposals for the year ended 31 December 2025.

DIVIDENDS

Special Dividend

During the year ended 31 December 2025, a special dividend of HK\$0.01 per ordinary share totalling HK\$27,824,866, based on 2,782,486,584 ordinary shares, had been proposed by the Board and approved by the shareholders at the shareholders’ meeting on 24 November 2025, subject to the completion of sales of the assets in New Zealand.

Subsequent to the end of the reporting period, on 2 February 2026, the Board announced the distribution of such dividend on 17 March 2026 as the dispose of the Sale Assets 1 and the Sale Assets 2 in New Zealand was completed on 30 January 2026.

Final Dividend

Save as disclosed above, the Directors do not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: nil).

CAPITAL STRUCTURE

Rights issue

During the year ended 31 December 2025, the Company issued 927,495,528 rights shares at the subscription price of HK\$0.0363 per rights share on the basis of one rights share for every two existing shares. The gross proceeds from the rights issue were approximately HK\$33,668,000, and the net proceeds from the rights issue after deducting all relevant expenses in relation to the rights issue were approximately HK\$31,667,000.

The Company intended to apply the net proceeds raised from the rights issue as to (i) approximately 74% of net proceeds for the Group's New Zealand division to support ongoing operations, particularly in relation to the realization of existing cutting rights; and (ii) approximately 26% for the Group's corporate-level overhead expenses, including compliance, regulatory, and administrative costs necessary to maintain the Company's status as a listed entity.

As at 31 December 2025, the net proceeds were applied as follows:

	Proposed use of net proceeds as disclosed in the prospectus HK\$'000	Actual amount utilised during the year ended 31 December 2025 HK\$'000	Unutilised net proceeds as at 31 December 2025 HK\$'000
Use of net proceeds			
New Zealand division to support ongoing operations	23,500	20,910	2,590
Group's corporate-level overhead expenses	8,167	7,550	617
Total	31,667	28,460	3,207

Subsequent to the end of the reporting period, by the end of January 2026, the remaining net proceeds were fully utilised in accordance with the original purpose disclosed.

Further details are set out in the Company's announcements dated 10 June 2025, 12 June 2025, 24 July 2025 and 11 August 2025 and the prospectus of rights issue dated 7 July 2025.

SHARE OPTION SCHEME

The Company has adopted a share option scheme approved by the shareholders at the annual general meeting of the Company held on 24 May 2022 (the “Share Option Scheme”). The Share Option Scheme remains in force for ten years from the date of adoption and will expire on 23 May 2032. From the date of adoption of the Share Option Scheme up to 31 December 2025, no share option has been granted, exercised, cancelled or lapsed. The number of share options available for grant under the Share Option Scheme mandate at the beginning and the end of the year ended 31 December 2025 was both 185,499,105. Since no share options were granted under the Share Option Scheme, the number of shares that may be issued in respect of share options granted under the Share Option Scheme during the year ended 31 December 2025 divided by the weighted average number of shares in issue (excluding treasury shares) for the year ended 31 December 2025 is nil.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2025, the total number of employees of the Group was 20 (2024: 125) with employment costs (including Directors’ emoluments) amounted to approximately HK\$19,493,000 (2024: HK\$30,660,000). Remuneration of employees includes salary and discretionary bonus, based on the Group’s results and individual performance. Medical and retirement benefits schemes are made available to all levels of personnel.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) has reviewed and discussed with management and external auditor the audited consolidated financial statements of the Group for the year ended 31 December 2025. Based on the review and discussions with management, the Audit Committee was satisfied that the audited consolidated financial statements of the Group for the year ended 31 December 2025 were prepared in accordance with applicable accounting standards and fairly presented the Group’s financial position and results for the year ended 31 December 2025.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the year as approved by the Board of Directors on 20 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board and management of the Group are committed to maintaining a high standard of corporate governance which is reviewed and strengthened from time to time. The Company has complied with all applicable code provisions as set out in Part 2 of Appendix C1 Corporate Governance Code to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2025 with the exception of the deviation as set out below:

Code Provision B.2.2 requires every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, the Chairman and the Managing Director of the Company shall not be subject to retirement by rotation under the existing Bye-laws of the Company. Mr. Cheng Chi-Him, Conrad is the non-executive Chairman of the Company. Given the essential role in the leadership of the Company by the Chairman and the non-executive nature of chairmanship, the Board is of the view that such deviation is vital to the stability and continuity of the key management of the Company and the Board considers that the deviation is acceptable.

Save as disclosed above, the Directors are not aware of any deviation from the applicable code provisions as set forth in Part 2 of Appendix C1 Corporate Governance Code to the Listing Rules throughout the year ended 31 December 2025.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted a code of conduct regarding securities transactions by Directors (the “Code of Conduct”) on terms no less exacting than the required standards as set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules (the “Model Code”). All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code and the Code of Conduct throughout the year ended 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

FORWARD LOOKING STATEMENTS

This announcement contains forward looking statements with respect to the financial conditions, results of operations and business of the Group. These forward looking statements represent the Company’s expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those expressed or implied in such statements.

APPRECIATION

The Board would like to take this opportunity to express its sincere gratitude to our shareholders, customers and suppliers for their continuous and valuable support and to extend its appreciation to our management and staff for their diligence and dedication to the Group.

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

Hong Kong, 20 March 2026

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>