GREENHEART GROUP LIMITED
綠心集團有限公司

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

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the "Board") of directors (the "Directors") of Greenheart Group Limited ("Greenheart" or the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2025 (the "Period"), together with the comparative figures for the corresponding period in 2024, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
			(Restated)
Continuing operations			
REVENUE	4	**20,632**	18,698
Cost of sales and services		**(18,699)**	(17,854)
Gross profit		**1,933**	844
Other income	6	**521**	647
Other gains and losses	6	**(1,959)**	888
Impairment losses recognised on financial assets, net		**(101)**	(585)
Fair value gain (loss) on plantation forest assets		**22,727**	(70,285)
Share of loss of an associate		**(7)**	(34)
Selling and distribution costs		**(2,775)**	(2,748)
Administrative expenses		**(15,798)**	(15,846)
Finance costs	7	**(7,862)**	(7,989)

	Notes	For the six months ended 30 June **2025** **(Unaudited)** ***HK$'000***	2024 (Unaudited) *HK$'000* (Restated)
LOSS BEFORE TAX	8	**(3,321)**	(95,108)
Income tax (expense) credit	9	**(4,054)**	16,279
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**(7,375)**	(78,829)
Discontinued operation			
Loss for the period from discontinued operation	11	**(90,223)**	(34,444)
LOSS FOR THE PERIOD		**(97,598)**	(113,273)
OTHER COMPREHENSIVE INCOME (EXPENSE)			
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**22,938**	(5,936)
OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD		**22,938**	(5,936)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		**(74,660)**	(119,209)
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY			
– from continuing operations		**(7,375)**	(78,829)
– from discontinued operation		**(114,416)**	(15,076)
		(121,791)	(93,905)

	Notes	For the six months ended 30 June 2025 (Unaudited) HK$'000	2024 (Unaudited) HK$'000 (Restated)
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO NON-CONTROLLING INTERESTS			
– from continuing operations		**–**	–
– from discontinued operation		**24,193**	(19,368)
		24,193	(19,368)
		(97,598)	(113,273)
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY			
– from continuing operations		**15,563**	(84,765)
– from discontinued operation		**(114,416)**	(15,076)
		(98,853)	(99,841)
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD ATTRIBUTABLE TO NON-CONTROLLING INTERESTS			
– from continuing operations		**–**	–
– from discontinued operation		**24,193**	(19,368)
		24,193	(19,368)
		(74,660)	(119,209)
LOSS PER SHARE:			
From continuing and discontinued operations			
Basic	12	**HK$(0.059)**	HK$(0.045)
From continuing operations			
Basic	12	**HK$(0.004)**	HK$(0.038)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2025 (Unaudited) HK$'000	31 December 2024 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**251,488**	239,877
Right-of-use assets		**12,963**	21,581
Goodwill		**5,651**	5,651
Timber concessions and cutting rights		**–**	–
Plantation forest assets		**318,060**	295,750
Prepayments, deposits and other assets		**336**	323
Interest in an associate		**1,438**	1,404
		589,936	564,586
CURRENT ASSETS			
Inventories		**1,590**	4,285
Trade receivables	13	**9,471**	4,720
Prepayments, deposits and other assets		**4,793**	8,172
Amount due from a fellow subsidiary	15(b)	**380**	352
Tax recoverable		**244**	5,709
Pledged bank deposit		**2,377**	2,182
Bank balances and cash		**22,159**	19,508
		41,014	44,928
CURRENT LIABILITIES			
Trade payables	14	**12,114**	8,042
Other payables and accruals		**6,454**	27,225
Contract liabilities		**–**	128
Lease liabilities		**2,111**	2,029
Bank borrowings		**23,774**	–
Tax payable		**–**	71
		44,453	37,495
NET CURRENT (LIABILITIES) ASSETS		**(3,439)**	7,433
TOTAL ASSETS LESS CURRENT LIABILITIES		**586,497**	572,019

	Notes	30 June 2025 (Unaudited) HK$'000	31 December 2024 (Audited) HK$'000
NON-CURRENT LIABILITIES			
Lease liabilities		**12,267**	11,840
Loans from immediate holding company	15(a)(i)	**214,339**	210,667
Loans from a fellow subsidiary	15(a)(ii)	**211,115**	191,863
Bank borrowings		**–**	21,817
Deferred tax liabilities		**49,254**	45,614
		486,975	481,801
NET ASSETS		**99,522**	90,218
CAPITAL AND RESERVES			
Equity attributable to owners of the Company			
Share capital		**18,550**	18,550
Reserves		**483,818**	582,671
		502,368	601,221
Non-controlling interests		**(402,846)**	(511,003)
TOTAL EQUITY		**99,522**	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 Cayman Islands and its ultimate parent is Chow Tai Fook Capital Limited, a company incorporated in the British Virgin Islands.

The unaudited condensed consolidated interim 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. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The Group incurred a loss of approximately HK$97,598,000 for the Period and as at 30 June 2025, the Group had net current liabilities of approximately HK$3,439,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In order to improve the Group's financial position, the Board are implementing various measures, as follows:

(1) The Group disposed of the majority of its loss-making subsidiaries in Suriname during the Period to improve the financial sustainability and enable management to focus on the Group's other business;

(2) The Board has obtained an undertaking from a fellow subsidiary not to demand for repayment of the amounts due to the fellow subsidiary of approximately HK$211,115,000 for a period of 15 months from the date of the reporting period to enable the Group to continue as a going concern in the normal course of business;

(3) The Board proposed on 10 June 2025 to raise fund by way of a rights issue, which was completed on 12 August 2025 and issued a total of 927,495,528 ordinary shares for a total cash consideration, before expenses of approximately HK$33,668,000;

(4) The Group entered into a second supplemental agreement with a fellow subsidiary, a wholly-owned subsidiary of the ultimate holding company, on 14 July 2025, in relation to increase the loan amount from HK$27,300,000 (i.e. US$3,500,000) to HK$35,100,000 (i.e. US$4,500,000);

(5) The Group is considering disposing of certain of its non-current assets to meet its financial obligations and to fund its operations; and

(6) The Group will continue to implement cost control measures aiming at preserving working capital and improving cash flows of the Group.

The Board is of the opinion that, after taking the above measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from 30 June 2025. The Board is therefore of opinion that it is appropriate to prepare the unaudited condensed consolidated interim financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets at their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for plantation forest assets and forestry land that are measured at fair values less costs to sell or revalued amounts at the end of each reporting period.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current Period, the Group has, for the first time, applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, which are mandatorily effective for the Group's annual periods beginning on 1 January 2025 for the preparation of the Group's unaudited condensed consolidated interim financial statements:

Amendments to HKAS 21	*Lack of Exchangeability*

The application of the amendments to a HKFRS Accounting Standard in current Period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated interim financial statements.

4. REVENUE

(i) Disaggregation of revenue from contracts with customers

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Types of goods or services		
Sales of logs	**18,092**	15,687
Forest management fee	**2,540**	3,011
Total revenue from contracts with customers	**20,632**	18,698
Timing of revenue recognition		
A point in time	**18,092**	15,687
Over time	**2,540**	3,011
Total	**20,632**	18,698

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:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
New Zealand*	**20,632**	18,698

* *The revenue from customers located in New Zealand mainly related to sales under free-on-board terms with destinations in Mainland China.*

(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. Significant payment terms are disclosed in note 13.

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.

5. 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 one 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 Period. The segment information reported in note 5 does not include any amounts for this discontinued operation, which is described in more detail in note 11.

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

Segment performance is evaluated by the Management based on reportable segment Adjusted EBITDA, 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.

Details of geographical segment information of the Group's revenue are disclosed in note 4.

Segment revenue and results

The following table presents revenue, results and other information from continuing operations regarding the Group's operating segment:

For the six months ended 30 June 2025
Continuing operations

	New Zealand (Unaudited) *HK$'000*	Unallocated corporate items (Unaudited) *HK$'000*	Consolidated total (Unaudited) *HK$'000*
SEGMENT REVENUE – EXTERNAL	**20,632**	**–**	**20,632**
SEGMENT RESULTS ("Adjusted EBITDA")	**(5,005)**	**(6,882)**	**(11,887)**
Reconciliation of the segment results:			
Items other than finance costs, income tax expense, forest depletion cost as a result of harvesting, depreciation and amortisation			
Fair value gain on plantation forest assets	**22,727**	**–**	**22,727**
Interest income	**395**	**12**	**407**
Impairment of trade receivables	**(101)**	**–**	**(101)**
EBITDA	**18,016**	**(6,870)**	**11,146**
Finance costs	**(7,081)**	**(781)**	**(7,862)**
Forest depletion cost as a result of harvesting*	**(2,155)**	**–**	**(2,155)**
Depreciation	**(2,994)**	**(606)**	**(3,600)**
Harvest roading costs*	**(850)**	**–**	**(850)**
PROFIT (LOSS) BEFORE TAX	**4,936**	**(8,257)**	**(3,321)**

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

For the six months ended 30 June 2024 (restated)
Continuing operations

	New Zealand (Unaudited) *HK$'000*	Unallocated corporate items (Unaudited) *HK$'000*	Consolidated total (Unaudited) *HK$'000*
SEGMENT REVENUE – EXTERNAL	18,698	–	18,698
SEGMENT RESULTS ("Adjusted EBITDA")	(1,578)	(7,247)	(8,825)
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	(70,285)	–	(70,285)
Interest income	558	9	567
Impairment of trade receivables	(585)	–	(585)
EBITDA	(71,890)	(7,238)	(79,128)
Finance costs	(7,963)	(26)	(7,989)
Forest depletion cost as a result of harvesting*	(3,622)	–	(3,622)
Depreciation	(3,234)	(695)	(3,929)
Harvest roading costs*	(440)	–	(440)
LOSS BEFORE TAX	(87,149)	(7,959)	(95,108)

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

Information on major customers

During the six months ended 30 June 2025, the Group had transactions with one (2024: three, restated) customer(s) from New Zealand segment who individually contributed over 10% of the Group's total revenue from continuing operations. A summary of revenue earned from each of these major customers is set out below:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Customer 1	**13,358**	9,391
Customer 2	**N/A***	2,743
Customer 3	**N/A***	1,946

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

6. OTHER INCOME, OTHER GAINS AND LOSSES

Other income:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Bank and other interest income	**407**	567
Others	**114**	80
	521	647

Other gains and losses:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Exchange (losses) gains	**(1,959)**	888

7. FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Interest on loans from a fellow subsidiary	**6,669**	6,574
Interest on lease liabilities	**499**	467
Interest on bank borrowings	**694**	948
	7,862	7,989

8. LOSS BEFORE TAX

The Group's loss before tax for the Period from continuing operations has been arrived at after charging:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Continuing operations		
Forest harvested as agricultural produce	**2,027**	4,003
Amount capitalised in closing inventories	**(232)**	(381)
Amount released from opening inventories	**360**	–
Forest depletion cost as a result of harvesting*	**2,155**	3,622

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

9. INCOME TAX EXPENSE (CREDIT)

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Current tax – Hong Kong		
Charge for the period	**–**	–
Current tax – other jurisdictions		
Charge for the period	**–**	925
Deferred tax	**4,054**	(17,204)
	4,054	(16,279)

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 not expected to be 750 million euros or more in the consolidated financial statements in at least two of the four fiscal years preceding the relevant fiscal year, the Management of the Group considers the Group is not liable to income taxes under the Pillar Two Rules.

No provision for Hong Kong profits tax has been made for the six months ended 30 June 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% (2024: 28%).

10. DIVIDEND

The Board does not declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

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 Period.

During the Period, the Group entered into a master sales and purchase agreement with an independent third party to dispose of 100% equity interests of 16 subsidiaries in Suriname. The Group's Suriname operation is treated as discontinued operation.

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

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss of Suriname operation for the period	**(7,717)**	(34,444)
Loss on disposal of Suriname operation	**(82,506)**	–
	(90,223)	(34,444)

The results of the Suriname operation for the Period and preceding interim period, which have been included in the unaudited condensed consolidated statement of profit or loss and other comprehensive income were as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Contracts with customers – sales of logs and timber products	**926**	7,989
Leases – subcontracting fee income	**631**	984
Total revenue	**1,557**	8,973
Cost of sales	**(3,932)**	(34,035)
Gross loss	**(2,375)**	(25,062)
Other income	**74**	282
Impairment losses reversed on financial assets, net	**–**	57
Selling and distribution costs	**(373)**	(2,606)
Administrative expenses	**(1,371)**	(3,281)
Finance costs	**(3,672)**	(4,132)
Loss before tax	**(7,717)**	(34,742)
Income tax credit	**–**	298
Loss for the period	**(7,717)**	(34,444)

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

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Amortisation of timber concessions and cutting rights	**–**	851
Depreciation of property, plant and equipment	**142**	1,281
Depreciation of right-of-use assets	**83**	988
Impairment of property, plant and equipment	**–**	14,361
Impairment of right-of-use assets	**–**	2,213
Impairment of timber concessions and cutting rights	**–**	656
Net write-down (reversal of write-down) of inventories	**344**	(361)

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

	(Unaudited)
	HK$'000
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**
Prepayment, deposits and other receivables	**3,501**
Cash and cash equivalent	**99**
Trade payables	**(1,790)**
Other payables and accruals	**(19,473)**
Tax payables	**(70)**
Net liabilities disposed of	**(1,458)**
Consideration received:	
Cash received (US$1)	**–**
(Gain) loss on disposal of subsidiaries:	
Consideration received (US$1)	**–**
Net liabilities disposed of	**(1,458)**
Non-controlling interests	**83,964**
Loss on disposal recognised in profits or loss	**82,506**
Net cash outflows arising on disposal:	
Consideration received (US$1)	**–**
Less: cash and cash equivalent disposed of	**(99)**
	(99)

12. LOSS 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:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss for the period attributable to owners of the Company for the purposes of basic loss per share	**(121,791)**	(93,905)

	2025	2024
	(Unaudited)	(Unaudited)
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**2,072,688,531**	2,072,688,531

The weighted average number of ordinary shares for the purposes of basic loss per share for the six months ended 30 June 2025 and 2024 has been adjusted for the rights issue completed subsequent to the end of the reporting period on 12 August 2025. Details refer to note 16(a). The weighted average number of shares for the six months ended 30 June 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 periods.

From continuing operations

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

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss figures are calculated as follows:		
Loss for the period attributable to owners of the Company	**(121,791)**	(93,905)
Less: loss for the period from discontinued operation attributable to owners of the Company	**114,416**	15,076
Loss for the period attributable to owners of the Company for the purposes of basic loss per share from continuing operations	**(7,375)**	(78,829)

The denominators used are the same as those detailed above for basic loss per share.

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

From discontinued operation

Basic loss per share from discontinued operation is HK$0.055 per share (six months ended 30 June 2024: HK$0.007 per share) based on the loss for the period from discontinued operation of HK$114,416,000 (six months ended 30 June 2024: HK$15,076,000) and the denominators detailed above for basic loss per share.

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

13. TRADE RECEIVABLES

	30 June 2025 (Unaudited) *HK$'000*	31 December 2024 (Audited) *HK$'000*
Trade receivables		
– contracts with customers	**15,757**	11,676
– operating lease receivables	**–**	225
	15,757	11,901
Less: Allowance for credit losses		
– contracts with customers	**(6,286)**	(7,178)
– operating lease receivables	**–**	(3)
Net trade receivables	**9,471**	4,720

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 age analysis of trade receivables based on the invoice date and net of impairment at the end of each reporting period:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	HK$'000	*HK$'000*
Within 1 month	**9,302**	4,612
From 1 to 3 months	**169**	–
Over 3 months	**–**	108
	9,471	4,720

As at 30 June 2025, included in the Group's trade receivable balances were debtors with aggregate carrying amount of HK$454,000 (31 December 2024: HK$108,000) which were past due as at the reporting date. Out of the past due balances, HK$169,000 (31 December 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 30 June 2025 have been subsequently settled.

14. TRADE PAYABLES

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

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	HK$'000	*HK$'000*
Within 1 month	**11,998**	5,917
From 1 to 3 months	**–**	74
Over 3 months	**116**	2,051
	12,114	8,042

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

15. RELATED PARTY DISCLOSURES

(a) Other than as disclosed elsewhere in these unaudited condensed consolidated interim financial statements, the Group has the following transactions and balances with related parties:

Relationships	Nature of transactions	*Notes*	For the six months ended 30 June **2025** **(Unaudited)** ***HK$'000***	2024 (Unaudited) *HK$'000*
Immediate holding company	Interest expenses paid and payable on loans	*(i)*	**3,672**	4,132
Fellow subsidiary	Interest expenses paid and payable on loans	*(ii)*	**6,669**	6,574
Fellow subsidiary	Recharge of license fee and administrative expenses received and receivable	*(iii)*	**362**	342

Notes:

(i) The interest expenses were charged based on the Hong Kong Prime Rate on the following loans:

- an unsecured loan with principal amount of HK$62,400,000 (i.e. US$8,000,000);
- an unsecured loan with principal amount of HK$27,300,000 (i.e. US$3,500,000);
- an unsecured loan with principal amount of HK$23,400,000 (i.e. US$3,000,000);
- an unsecured loan with principal amount of HK$7,106,000 (i.e. US$911,000);
- an unsecured loan with principal amount of HK$6,179,000 (i.e. US$792,000);
- an unsecured loan with principal amount of HK$8,580,000 (i.e. US$1,100,000); and
- an unsecured loan with principal amount of HK$6,084,000 (i.e. US$780,000).

On 28 May 2024, supplemental letters in relation to above loans were signed with the immediate holding company to further extend the maturity date of these loans from 1 April 2025 to 1 April 2026. On 27 May 2025, supplemental letters in relation to above loans were signed with the immediate holding company to further extend the maturity date of these loans from 1 April 2026 to 1 April 2027.

In addition, based on the supplemental letters, the lender shall have the right to demand immediate payment of all the above loans and their outstanding interest in the event of either (a) any change in the beneficial ownership, directly or indirectly, of more than 50% of the voting equity shares of the borrower, a non-wholly-owned subsidiary of the Company, without the lender's prior written consent or (b) after the existing executive and non-executive directors of the Company cease to constitute a majority of the board of directors of the Company, subject to a 30-day re-negotiation period regarding the continuing availability of the loans.

Taking into consideration the agreement from the immediate holding company to do all such acts to maintain the directorship of the existing directors of the Company throughout the relevant loan periods, the loans were classified as non-current as at 30 June 2025 and 31 December 2024.

(ii) The interest expenses were charged on the following loans from a fellow subsidiary:

(a) an unsecured loan with principal amount of HK$156,000,000 (i.e. US$20,000,000) (31 December 2024: HK$156,000,000 (i.e. US$20,000,000)) with interest rate based on the 3-month secured overnight financing rate ("SOFR") plus 2.86% per annum (31 December 2024: 2.86% per annum), and repayable on 3 November 2026 (31 December 2024: 3 November 2026).

On 30 September 2024, a supplemental letter in relation to above loan was signed with the fellow subsidiary to change the interest rate from the 3-month US$ London Interbank Offer Rate plus 2.86% per annum to 3-month SOFR plus 2.86% per annum.

(b) an unsecured loan with principal amount of HK$25,818,000 (i.e. US$3,310,000) (31 December 2024: HK$12,636,000 (i.e. US$1,620,000)) with interest rate based on the 1-month SOFR plus 3% per annum (31 December 2024: 3% per annum), and repayable on 4 August 2027 (31 December 2024: 4 August 2027).

On 5 August 2024, a loan agreement was signed with the fellow subsidiary in respect of an unsecured loan with principal amount of HK$11,700,000 (i.e. US$1,500,000) with the interest rate based on 1-month SOFR plus 3% per annum for three years. On 3 December 2024, a first supplemental agreement was signed with the fellow subsidiary in relation to increase the loan amount from HK$11,700,000 (i.e. US$1,500,000) to HK$27,300,000 (i.e. US$3,500,000), of which HK$25,818,000 (i.e. US$3,310,000) (31 December 2024: HK$12,636,000 (i.e. US$1,620,000)) was utilised as at 30 June 2025.

Subsequent to the end of the reporting period, on 14 July 2025, a second supplemental agreement was signed with the fellow subsidiary in relation to increase the loan amount from HK$27,300,000 (i.e. US$3,500,000) to HK$35,100,000 (i.e. US$4,500,000).

Based on the loan agreements, the lender shall have the right to demand immediate payment of all the above loans and their outstanding interest in the event of either (a) any change in the beneficial ownership, directly or indirectly, of more than 50% of the voting equity shares of the borrowers, wholly-owned subsidiaries of the Company, without the lender's prior written consent or (b) after the existing executive and non-executive directors of the Company cease to constitute a majority of the board of directors of the Company, subject to a 30-day re-negotiation period regarding the continuing availability of the loans.

Taking into consideration the agreement from the immediate holding company to do all such acts to maintain the directorship of the existing directors of the Company throughout the relevant loan periods, the loans were classified as non-current as at 30 June 2025 and 31 December 2024.

(iii) The license fee and administrative expenses were recharged to a fellow subsidiary with reference to the actual costs incurred.

(b) Outstanding balances with related parties

The amount due from a fellow subsidiary as at 30 June 2025 and 31 December 2024 was unsecured, interest-free and repayable within one year.

(c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Short-term employee benefits	**5,224**	5,288
Pension scheme contributions	**16**	18
	5,240	5,306

16. EVENTS AFTER THE REPORTING PERIOD

(a) Rights issue

On 10 June 2025, the Company announced that it proposed to raise approximately HK$33,668,000 before expenses, by way of the rights issue to the shareholders. The rights issue is not underwritten and involves the issue of up to 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.

On 24 July 2025, the Company announced that as at 4:00 p.m. on Monday, 21 July 2025, being the latest time for acceptance of the rights shares, a total of 17 valid applications for a total of 722,392,888 rights shares had been received, representing approximately 77.9% of the total number of 927,495,528 rights shares offered under the rights issue. Accordingly, the rights issue was undersubscribed by 205,102,640 rights shares, representing approximately 22.1% of the total number of 927,495,528 rights shares offered under the rights issue, which were subject to the compensatory arrangements.

On 4 August 2025, the compensatory arrangements were completed and the 205,102,640 rights shares were fully placed to six independent third parties not connected with the Company and its connected persons.

On 12 August 2025, the rights issue was completed and a total of 927,495,528 ordinary shares were issued for a total cash consideration before expenses of approximately HK$33,668,000.

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.

Saved as disclosed in other sections of these unaudited condensed consolidated interim financial statements, no 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 unaudited interim results of the Group for the six months ended 30 June 2025 (the "Period").

During the first half of 2025, the Group took major steps to address the persistent operational and financial challenges arising from our Suriname division that had impacted our performance for several years. In March, we disposed of a substantial portion of our loss-making Suriname business. This move allows us to focus resources on our New Zealand operation.

The Group also completed a rights issue in August, raising a net amount of approximately HK$31,800,000. This new capital injection improves our working capital position and ensures we have adequate cash reserves to support our daily operations.

New Zealand Division

The New Zealand division recorded revenue of approximately HK$20,632,000 for the Period, representing a 10.3% increase compared to the same period last year. The revenue for the Period is mainly contributed from our existing forest cutting rights acquired in recent years, while our largest owned plantation forest asset has now entered a regrowth phase with no immediate revenue until 2028.

Despite the increase in revenue, the Group continued to face challenges from fluctuating market conditions. The cost and freight ("CFR") price for A-grade logs in the China softwood log market decreased from the range of US$123 per JAS m^3 to US$126 per JAS m^3 at the beginning of the year to the range of US$110 per JAS m^3 to US$112 per JAS m^3 in the second quarter of 2025, which had an impact on our gross margin for the Period. However, shipping costs remained relatively stable at around US$30 per JAS m^3 in the first half of the year.

A fair value gain of HK$22,727,000 was recorded on our plantation forest assets for the Period. This increase primarily reflects the tree growth of our largest plantation forest asset, which is currently in the regrowth phase.

Suriname Division

On 28 March 2025, the Group disposed of the majority of its substantial loss-making subsidiaries in Suriname. These subsidiaries had been incurring losses, experienced a significant decline in asset value, and carried net liabilities. The disposal, completed with an independent third party, resulted in a disposal gain of HK$1,458,000.

However, the disposal also resulted in a de-recognition loss of HK$83,964,000, arising from the removal of negative non-controlling interests in the non-wholly-owned Suriname subsidiaries. This resulted in a net loss of HK$82,506,000, which was included in the discontinued operation loss of HK$90,223,000 for the Period.

Following the disposal, the Group will no longer be responsible for the significant fixed overhead costs of the Suriname division. The remaining companies in the Surname division are relatively small in scale, and the Group does not expect them to create a significant financial burden given their minimal holding costs.

Prospects

The Group acknowledges the ongoing challenges in the global wood sector, alongside the Group's financial constraints and pressures impacting our operations.

In New Zealand, our largest plantation forest asset is now in a regrowth phase and will not generate revenue until 2028 onwards. During this period, the Group is required to continue covering high holding costs, including expenses for planting, thinning, and silviculture and finance costs.

To address the problem of uneven woodflows caused by holding large parcel of forests with skewed maturity profile, the Group has in recent years adjusted its strategy by acquiring mature forest cutting rights that are ready for harvest in near term.

To finance these acquisitions, we are actively exploring ways to raise capital, including but are not limited to converting non-liquid assets into cash for reinvestment. Our priority is to acquire short-term cutting rights on mature trees, which provide a stable revenue stream without tying up significant financial resources in long term land and trees ownership.

Appreciation

On behalf of the Board, I would like to express my sincere appreciation to our shareholders, business partners, and stakeholders for their ongoing support. I would also like to extend my gratitude to our management team and employees for their commitment and perseverance during this challenging period. Despite the current market difficulties, the Group remains dedicated to maintaining operational efficiency and financial discipline while exploring strategic opportunities to enhance long-term value.

Cheng Chi-Him, Conrad
Non-executive Chairman

Hong Kong, 26 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's unaudited net loss for the Period from continuing and discontinued operations decreased to HK$97,598,000 (2024: HK$113,273,000). The reduction of net loss was mainly due to the net effect of (i) the fair value gain of HK$22,727,000 relating to the plantation forest assets located in New Zealand; and (ii) the negative impact of the disposal of subsidiaries in Suriname of HK$82,506,000.

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 Period and then ceased the operation in Suriname. The aforementioned disposal was made to an independent third party and the proceeds from the disposal was insignificant. A loss of HK$90,223,000 (2024: HK$34,444,000, restated) from the discontinued operation was resulted during the Period.

Continuing operations

Revenue

The Group's total revenue from continuing operations (i.e. New Zealand division) increased by 10.3% to HK$20,632,000 for the Period compared to the same period last year. The sales volume of New Zealand radiata pine increased by 12.8% because the logs originally planned to sell in December 2024 were postponed to January 2025 due to the schedule of vessel; while the average export selling price on free-on-board basis increased by 2.6% to US$80 per m^3 (2024: US$78 per m^3).

Meanwhile, revenue contributed from forest management services decreased by 15.6% to HK$2,540,000 during the Period because of the decrease in harvesting activities in third party forests managed by the Group.

Gross profit

The Group generated a gross profit from continuing operations (i.e. New Zealand division) of HK$1,933,000 (2024: HK$844,000, restated) during the Period. The Group's gross profit margin for the Period was 9.4% (2024: 4.5%, restated), benefiting from lower operating costs due to the depreciation of the New Zealand dollar ("NZD") during the Period.

Other income

Other income from continuing operations mainly represented bank interest income.

Other gains and losses

Other gains and losses from continuing operations were primarily due to exchange losses on bank borrowings.

Impairment losses recognised on financial assets, net

Impairment losses recognised on financial assets from continuing operations represented the recognition of the expected credit losses on trade receivables.

Fair value gain on plantation forest assets

The fair value gain on our plantation forest assets in New Zealand amounted to HK$22,727,000 (2024: loss of HK$70,285,000) and was based on a valuation report prepared by an independent valuer at the end of the Period. The fair value gain was primarily attributable to the tree growth of our largest plantation forest asset, which is currently in the regrowth phase.

Selling and distribution costs

Selling and distribution costs from continuing operations mainly included export handling expenses and logistic-related costs arising from the sale of logs.

They maintained at HK$2,775,000 (2024: HK$2,748,000, restated) during the Period because of the net effect of the increase in sales volume and the depreciation of NZD.

Administrative expenses

Administrative expenses from continuing operations for the Period included staff costs, depreciation and legal and professional fees. They maintained at HK$15,798,000 (2024: HK$15,846,000, as restated) during the Period. The Group will continue to take a cautious and prudent approach in managing its expenditure.

Finance costs

Finance costs from continuing operations decreased slightly by 1.6% or HK$127,000 for the Period. Such reduction was primarily caused by the net effect of (i) the decrease in interest on bank borrowings following the general reduction in interest rates for the Period and (ii) the increase in loans from a fellow subsidiary during the Period.

Income tax expense

Income tax expense from continuing operations for the Period was mainly deferred tax expense from the New Zealand division. It was mainly due to the taxable temporary differences arising from the fair value gain on New Zealand plantation forest assets and the foreign currency translation adjustments.

EBITDA

The EBITDA of the Group from continuing operations for the Period was HK$11,146,000 (2024: negative EBITDA of HK$79,128,000, restated). The EBITDA of the New Zealand division for the Period were HK$18,016,000 (2024: negative EBITDA of HK$71,890,000). The improvement of the Group's EBITDA was primarily caused by the fair value gain on plantation forest assets in New Zealand as mentioned above.

Loss for the Period attributable to owners of the Company

As a result of the aforementioned, the loss attributable to the owners of the Company from continuing operations for the Period was HK$7,375,000 (2024: HK$78,829,000, restated).

LIQUIDITY AND FINANCIAL REVIEW

As at 30 June 2025, the Group's current assets and current liabilities were HK$41,014,000 and HK$44,453,000 respectively (31 December 2024: HK$44,928,000 and HK$37,495,000), HK$22,159,000 (31 December 2024: HK$19,508,000) of which were bank balances and cash. The Group's outstanding borrowings as at 30 June 2025 represented the loans from immediate holding company amounting to HK$214,339,000 (31 December 2024: HK$210,667,000), loans from a fellow subsidiary amounting to HK$211,115,000 (31 December 2024: HK$191,863,000), bank borrowings amounting to HK$23,774,000 (31 December 2024: HK$21,817,000) and lease liabilities of HK$14,378,000 (31 December 2024: HK$13,869,000). Accordingly, the Group's gearing ratio as of 30 June 2025, which was calculated on the basis of outstanding borrowings as a percentage of equity attributable to owners of the Company, was 92.3% (31 December 2024: 72.9%).

Notwithstanding that the Group had net current liabilities of HK$3,439,000 as at 30 June 2025, on the basis of the measures mentioned in note 2 to the unaudited condensed consolidated interim financial statements, the Board is of the view that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future.

As at 30 June 2025, there were 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 are pegged. The majority of the Group's outstanding borrowings, and the majority of costs and expenses incurred in Hong Kong and Suriname are 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 borrowings from the Bank of New Zealand are denominated in NZD, which helps to partly offset the Group's operating expenses payable in NZD. During the Period, the Group did not use any financial instruments for hedging purposes and the Group did not have any hedging instruments outstanding as at 30 June 2025. However, we will continue to closely monitor all possible exchange risk arising from the Group's existing operations and 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 fulfillment of certain financial covenants as required by the Bank of New Zealand. During the Period, all financial covenants related to the bank loan facilities were met.

PROSPECTS

The New Zealand softwood log market will likely remain challenging throughout the second half of 2025, although modest improvements point to a cautious recovery.

In China, CFR prices for A-grade logs increased slightly from July, approaching the upper end of the range of US$108 per JAS m^3 to US$114 per JAS m^3, thereby raising the weighted average by approximately US$3 per JAS m^3. This improvement was driven by the Chinese log futures market, with September futures contracts rising from the range of RMB780 per m^3 to RMB795 per m^3 in June to the range of RMB815 per m^3 to RMB830 per m^3 in July.

Along with the price increase, total export volumes from New Zealand to China in June reached 1.85 million m^3, marking the third highest figure since April 2024. This was primarily due to higher volumes from the South Island. However, July volumes are expected to moderate due to wet weather impacting harvesting activity.

Despite strong June exports, Chinese port inventories increased by up to 10% in July, reaching approximately 4.0 million m^3, reflecting softer daily off take rates of approximately 50,000 m^3 during the seasonal slowdown. Furthermore, demand from China's housing and property development sectors continues to be subdued.

Taking these factors into account, the Group anticipates CFR prices to range between US$108 per JAS m^3 and US$118 per JAS m^3 for the remainder of 2025, with potential upside in late fourth quarter if port inventories decline after the summer slowdown and New Zealand's supply returns to normal after winter. However, the New Zealand log market faces ongoing risks, including currency appreciation, slower Chinese offtake, higher freight costs, and broader macroeconomic uncertainty in China.

In response, the Group will continue to prioritise operational efficiency, disciplined cost control, and securing additional near-term cutting rights to strengthen cash flows. Management will closely monitor market developments.

CHARGE ON ASSETS

As at 30 June 2025 and 31 December 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$143,872,000 (31 December 2024: HK$132,265,000) ("Forestry Land");

b. the Group's plantation forest assets (located in New Zealand) with carrying amount of approximately HK$318,060,000 (31 December 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$2,377,000 (31 December 2024: HK$2,182,000).

INTERIM DIVIDEND

The Board has resolved not to recommend any dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

CAPITAL EXPENDITURE

During the Period, the Group incurred capital expenditure of approximately HK$367,000 (year ended 31 December 2024: approximately HK$1,187,000) on investment in property, plant and equipment.

BUSINESS ACQUISITION AND DISPOSAL

Saved as disclosed in note 11 to the unaudited condensed consolidated interim financial statements contained in this announcement, the Group had no other material business acquisitions or disposal during the Period.

CONTINGENT LIABILITIES

As at 30 June 2025 and 31 December 2024, the Group did not have any significant contingent liabilities.

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 16 to the unaudited condensed consolidated interim financial statements contained in this announcement.

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 30 June 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 Period 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 Period divided by the weighted average number of shares in issue (excluding treasury shares) for the Period is nil.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2025, the total number of employees of the Group was 19 (31 December 2024: 125) with employment costs (including Directors' emoluments) amounted to approximately HK$10,756,000 for the six months ended 30 June 2025 (30 June 2024: HK$15,439,000). 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 INTERIM RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has reviewed and discussed with management the unaudited condensed consolidated interim financial statements of the Group for the Period. Based on the review and discussions with management, the Audit Committee was satisfied that the unaudited condensed consolidated interim financial statements of the Group for the Period were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position and results for the Period.

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 of the Corporate Governance Code contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the Period 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 of the Corporate Governance Code as set forth in Part 2 of Appendix C1 to the Listing Rules throughout the Period.

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 Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Period, 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, 26 August 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.

Website: http://www.greenheartgroup.com