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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in the Company, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

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### GREENHEART GROUP LIMITED

綠心集團有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 94)**

**(1) VERY SUBSTANTIAL DISPOSAL  
DISPOSAL OF SALE ASSETS;  
(2) PROPOSED DECLARATION OF SPECIAL DIVIDEND;  
AND  
(3) NOTICE OF SPECIAL GENERAL MEETING**

**Financial adviser to the Company**



紅日資本有限公司

RED SUN CAPITAL LIMITED

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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 8 to 31 of this circular.

A notice convening the SGM to be held at Basement 2, Function Room, The Wharney Guang Dong Hotel Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong on Monday, 24 November 2025 at 11:30 a.m. is set out on pages SGM-1 to SGM-3 of this circular. A proxy form for use at the SGM is also enclosed. Such proxy form is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.greenheartgroup.com](http://www.greenheartgroup.com)).

Whether or not you are able to attend the SGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and deposit the same at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event no later than 48 hours (excluding any part of a day that is a public holiday) before the time for holding the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and, in such event, the appointment of the proxy shall be deemed to be revoked.

In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

7 November 2025

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following words and expressions shall have the following meanings:*

“Aggregated Value”	has the meaning given to it in the section headed “Basis of the Considerations” in this circular
“Arotahi”	Arotahi Agribusiness Limited, the independent valuer commissioned by the Company to appraise the value of the forest land of the Sale Assets and the valuer issuing the Arotahi Valuation Report
“Arotahi Valuation Report”	the valuation report on the forestry land dated 31 August 2025 which was prepared by Arotahi, a summary of which is set out in Appendix VI to this circular
“associate(s)”	has the meaning given to it under the Listing Rules
“Balance SPA 1 Consideration”	has the meaning given to it in the section headed “The SPAs” in this circular
“Balance SPA 2 Consideration”	has the meaning given to it in the section headed “The SPAs” in this circular
“Base Rate”	for the purpose of ascertaining the indebtedness statement contained in this circular, being the 3-month average bank bill reference rate administered by the New Zealand Finance Market Association
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, a Sunday and a public holiday) on which licensed banks in Hong Kong and/or NZ are open to general public for business
“Company”	Greenheart Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Assets 1, the Sale Assets 2 and the Sale Assets 3 under the SPA 1 and the SPA 2, respectively
“Completion Date 1”	the date of Completion of SPA 1, being the date falling on the 20th Working Day from the date the SPA 1 becomes unconditional, or such other date agreed by the parties

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## DEFINITIONS

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“Completion Date 2”	the date of Completion of SPA 2, being the date falling on the 20th Working Day from the date the SPA 2 becomes unconditional, or such other date as the Māori Land Court directs when making the Māori Court Confirmation
“Conditions”	collectively, the SPA 1 Conditions and the SPA 2 Conditions
“connected person(s)”	has the meaning given to it under the Listing Rules
“Consideration”	the total consideration for the Sale Assets of NZ\$134.15 million (equivalent to approximately HK\$615.52 million) comprising NZ\$133.47 million (equivalent to approximately HK\$612.40 million) for the Sale Assets 1 and the Sale Assets 2, and NZ\$0.68 million (equivalent to approximately HK\$3.12 million) for the Sale Assets 3
“Cutting Rights”	has the meaning given to it in the section headed “Reasons for and benefits of the Disposal and use of proceeds” in this circular
“DCF Approach”	has the meaning given to it in the section headed “Profit Forecast under the Indufor Valuation Report” in this circular
“Deposit 1”	has the meaning given to it in the section headed “The SPAs” in this circular
“Deposit 2”	has the meaning given to it in the section headed “The SPAs” in this circular
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Sale Assets by the Vendors to the Purchaser pursuant to the terms and conditions of the SPAs
“Financial Adviser”	Red Sun Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong), being the financial adviser to the Company in relation to the Disposal
“Forest Management Agreement”	the agreement pursuant to which the Forest Manager will provide the Forest Management Services to the Principal, details of which are set out in the section headed “Forest Management Agreement” in this circular
“Forest Management Services”	has the meaning given to it in the section headed “Forest Management Agreement” in this circular

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## DEFINITIONS

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“Forest Manager”	Northland Forest Managers (1995) Limited, an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“GST”	goods and services tax of NZ
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a third party(ies) independent of, and not connected with, the Company and its connected persons which has the meaning given to it under the Listing Rules
“Indufor”	Indufor Asia Pacific Limited, the independent valuer commissioned by the Company to appraise the value of the tree crops of the Sale Assets and the valuer issuing the Indufor Valuation Report
“Indufor Valuation Report”	the valuation report on the tree crops dated 31 August 2025 which was prepared by Indufor, a summary of which is set out in Appendix V to this circular
“Land Information New Zealand”	the NZ government agency for property and location information, crown property and managing overseas investment
“Latest Practicable Date”	4 November 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listco Consent Condition”	has the meaning given to it in the section headed “The SPAs” in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Long Stop Date”	5:00 p.m. on 28 November 2025, or, if the OIO Consent Date is extended by a written notice from the Purchaser for an extension of time for fulfilment of the OIO Consent Condition by 40 Working Days, where the Purchaser (i) has not procured the satisfaction of the OIO Consent Condition by the OIO Consent Date, (ii) acting reasonably, believes that there is a reasonable likelihood of the OIO consent being granted within the extended period, and the OIO has not indicated that it proposes to reject the Purchaser’s application, (iii) has provided the Vendors with information about the current status of the OIO consent application, the major outstanding issues, and expected timing, and (iv) used all reasonable endeavours to procure the satisfaction of the OIO Consent Condition, the Long Stop Date shall be extended by 80 Working Days or as the parties may otherwise agree
“Māori Court Confirmation”	all required confirmations from the Māori Land Court
“Māori Land”	has the meaning given to it in the section headed “The SPAs” in this circular
“Māori Land Court”	the Māori Land Court of NZ under TTWMA
“Meridian Forestry Rights”	has the meaning given to it in the section headed “Reasons for and benefits of the Disposal and use of proceeds” in this circular
“Net Proceeds”	has the meaning given to it in the section headed “Use of proceeds” in this circular
“NZ”	New Zealand
“NZ\$” or “NZD”	NZ dollar(s), the lawful currency of NZ
“OIO”	Overseas Investment Office of NZ
“OIO Consent Condition”	has the meaning given to it in the section headed “SPA 1 Conditions precedent to Completion” and as the case may be, the section headed “SPA 2 Conditions precedent to Completion” in this circular
“OIO Consent Date”	5:00 p.m. on the date that is 55 Working Days (as defined under the Overseas Investment Act 2005 of NZ) following the date the Vendors provide the relevant vendor information form (to the satisfaction of the Purchaser) within 10 Working Days of the date of the relevant SPAs (subject to any extension in accordance with the terms of the SPAs)

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## DEFINITIONS

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“Ongoing Costs”	has the meaning given to it in the section headed “Reasons for and benefits of the Disposal and use of proceeds” in this circular
“Personal Property”	for the purpose of ascertaining the indebtedness statement contained in this circular, all the present and after-acquired property
“Principal”	has the meaning given to it in the section headed “Forest Management Agreement” in this circular
“Profit Forecast”	has the meaning given to it in the section headed “Profit forecast under the Indufor Valuation Report” in this circular
“Property”	has the meaning given to it in the section headed “The SPAs” in this circular
“Purchaser”	Ingka Investments Forest Assets NZ Limited, an Independent Third Party
“Remaining Group”	the Group immediately upon Completion
“Reporting Accountants”	Deloitte Touche Tohmatsu
“Sale Assets”	collectively, the Sale Assets 1, the Sale Assets 2 and the Sale Assets 3
“Sale Assets 1”	has the meaning given to it in the section headed “The SPAs” in this circular
“Sale Assets 2”	has the meaning given to it in the section headed “The SPAs” in this circular
“Sale Assets 3”	has the meaning given to it in the section headed “The SPAs” in this circular
“Selected Group Companies”	for the purpose of ascertaining the indebtedness statement contained in this circular, certain indirect wholly-owned subsidiaries of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) as amended from time to time
“SGM”	a special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the SPAs and the transactions contemplated thereunder, and the payment of the Special Dividend

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## DEFINITIONS

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“Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of ordinary Share(s) of the Company
“Shareholders’ Approval”	has the meaning given to it in the section headed “The SPAs” in this circular
“SPA 1”	the agreement for sale and purchase of real estate dated 29 August 2025 entered into among the Vendor 1, the Vendor 2, the Purchaser and the Company in relation to the Disposal involving the Sale Assets 1 and the Sale Assets 2
“SPA 1 Conditions”	the conditions precedent set out in the section headed “The SPA 1 Conditions precedent to Completion” in this circular
“SPA 2”	the agreement for sale and purchase of real estate dated 29 August 2025 entered into among the Vendor 3, the Purchaser and the Company in relation to the Disposal of the Sale Assets 3
“SPA 2 Conditions”	the conditions precedent set out in the section headed “The SPA 2 Conditions precedent to Completion” in this circular
“SPA Consideration 1”	has the meaning given to it in the section headed “The SPAs” in this circular
“SPA Consideration 2”	has the meaning given to it in the section headed “The SPAs” in this circular
“SPAs”	collectively, SPA 1 and SPA 2
“Special Dividend”	the special cash dividend of HK\$0.01 per Share to be declared and paid by the Company to the Shareholders subject to the Special Dividend Conditions
“Special Dividend Conditions”	has the meaning given to it in the section headed “Proposed declaration of Special Dividend” in this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trees”	has the meaning given to it in the section headed “The SPAs” in this circular
“TTWMA”	Te Ture Whenua Māori Act 1993 of NZ



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## DEFINITIONS

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“US\$” or “United States dollars”	United States dollar(s), the lawful currency of the United States of America
“Valuation Reports”	collectively, the Indufor Valuation Report and Arotahi Valuation Report
“Valuers”	collectively, Indufor and Arotahi
“Vendor 1”	Greenheart Mangakahia Forest Land Limited, an indirect wholly-owned subsidiary of the Company
“Vendor 2”	Greenheart Papakorakora Forest NZ Limited, an indirect wholly-owned subsidiary of the Company
“Vendor 3”	Greenheart Mangakahia Forest Māori Land Limited, an indirect wholly-owned subsidiary of the Company
“Vendors”	collectively, the Vendor 1, the Vendor 2 and the Vendor 3
“Waipoua Forestry Rights”	has the meaning given to it in the section headed “Reasons for and benefits of the Disposal and use of proceeds” in this circular
“Working Day(s)”	has the meaning given to it under the Overseas Investment Act 2005 of NZ
“%”	per cent

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

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## LETTER FROM THE BOARD

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### GREENHEART GROUP LIMITED

綠心集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 94)

***Executive Director:***

Mr. Ding Wai Chuen

***Non-executive Directors:***

Mr. Cheng Chi-Him, Conrad

Mr. Kenneth Lau

Mr. Lie Ken Jie Remy Anthony Ket Heng

Ms. Suen Chung Yan, Julia

***Independent non-executive Directors:***

Mr. Wong Man Chung, Francis

Mr. Cheung Pak To, Patrick

Mr. To Chun Wai

***Registered office:***

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

***Head office and principal place of  
business in Hong Kong:***

32A, 32/F., Fortis Tower

Nos. 77-79 Gloucester Road

Wanchai, Hong Kong

7 November 2025

Dear Shareholders,

**(1) VERY SUBSTANTIAL DISPOSAL  
DISPOSAL OF SALE ASSETS;  
(2) PROPOSED DECLARATION OF SPECIAL DIVIDEND;  
AND  
(3) NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

References are made to the announcements of the Company dated 10 September 2025 and 30 September 2025 in relation to the Disposal, the Profit Forecast and the proposed declaration of Special Dividend.

The purpose of this circular is to provide you with, among other matters, (i) further details in relation to the Disposal and the SPAs, (ii) the proposed declaration of the Special Dividend, (iii) financial and other information on the Remaining Group, (iv) unaudited pro forma financial information of the Remaining Group, (v) valuation reports of the Sale Assets, (vi) other information required to be disclosed under the Listing Rules, and (vii) the notice of the SGM.

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## LETTER FROM THE BOARD

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### THE SPAS

#### 1. The SPA 1

The principal terms of the SPA 1 are set out below:

Date: 29 August 2025 (after trading hours of the Stock Exchange)

Parties: (i) the Vendor 1;  
(ii) the Vendor 2;  
(iii) the Purchaser; and  
(iv) the Company

#### Assets to be disposed of

- (a) Pursuant to the SPA 1, the assets to be disposed of by the Vendor 1 and the Vendor 2 to the Purchaser under the SPA 1 comprise mainly the following assets:
- (i) 78 parcels of land located in the Mangakahia Forest, Northland region of NZ with an indicative total land area measuring approximately 12,724 hectares owned by the Vendor 1, together with any buildings and yards, trees and timber standing or lying thereon (the “**Trees**”), fences, tracks, dams, and any other improvement thereon (if any) (collectively, the “**Property**”);
  - (ii) NZ units (as defined under the Climate Change Response Act 2002 of NZ, being carbon units);
  - (iii) two licence agreements and the memorandum of understanding entered by the Vendor 1 or certain subsidiaries of the Company in relation to the Property; and
  - (iv) all records, operational data and any other information relating to the Trees and/or the above assets held by the Vendor 1 (collectively, the “**Sale Assets 1**”); and
- (b) the following assets to be disposed of by the Vendor 2 to the Purchaser:
- (i) a parcel of land located in the Ormond Valley, Gisborne region of NZ with an indicative total land area measuring approximately 81 hectares owned by the Vendor 2, together with the Trees, fences, tracks, dams, and any other improvement thereon; and
  - (ii) all records, operational data and any other information relating to the Trees and/or the above assets held by the Vendor 2 (collectively, the “**Sale Assets 2**”).

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## LETTER FROM THE BOARD

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### Consideration and payment terms

The total consideration for the Sale Assets 1 and the Sale Assets 2 is NZ\$133.47 million (equivalent to approximately HK\$612.40 million) (the “**SPA Consideration 1**”) comprising (i) NZ\$132.21 million (equivalent to approximately HK\$606.62 million) which shall be payable by the Purchaser to the Vendor 1, and (ii) NZ\$1.26 million (equivalent to approximately HK\$5.78 million) which shall be payable by the Purchaser to the Vendor 2.

The Purchaser shall pay the SPA Consideration 1 in the following manners:

- (a) NZ\$13.35 million (equivalent to approximately HK\$61.25 million), being 10% of the SPA Consideration 1 as deposit (the “**Deposit 1**”), of which:
  - (i) NZ\$6.7 million (equivalent to approximately HK\$30.74 million), being 50% of the Deposit 1, shall be paid by the Purchaser to the trust account of the NZ legal adviser of the Vendor 1 and the Vendor 2 within 10 Working Days of the date of the SPA 1 by electronic bank transfer as cleared funds; and
  - (ii) NZ\$6.7 million (equivalent to approximately HK\$30.74 million), being the remaining 50% of the Deposit 1, shall be paid by the Purchaser to the trust account of the NZ legal adviser of the Vendor 1 and the Vendor 2 within 10 Working Days of the later of the date of satisfaction of the OIO Consent Condition and the Listco Consent Condition (defined hereafter), in respect of the SPA 1 and the transactions contemplated thereunder, by electronic bank transfer as cleared funds.

The Deposit 1 shall form part payment of the SPA Consideration 1 and be promptly placed in an escrow account by the NZ legal adviser of the Vendor 1 and the Vendor 2 as stakeholders until Completion of the SPA 1 whereupon NZ\$13.22 million (equivalent to approximately HK\$60.65 million) of the Deposit 1 shall be released to the Vendor 1 and the remaining NZ\$0.13 million (equivalent to approximately HK\$0.60 million) shall be released to the Vendor 2; and

- (b) NZ\$120.12 million (equivalent to approximately HK\$551.15 million), being 90% of the SPA Consideration 1 shall be paid by the Purchaser:
  - (i) NZ\$119.00 million (equivalent to approximately HK\$546.01 million) to the Vendor 1 in cleared funds on the Completion Date 1; and
  - (ii) NZ\$1.12 million (equivalent to approximately HK\$5.14 million) to the Vendor 2 in cleared funds on the Completion Date 1 (collectively, the “**Balance SPA 1 Consideration**”).

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## LETTER FROM THE BOARD

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### SPA 1 Conditions precedent to Completion

Pursuant to the SPA 1, the sale and purchase of the Sale Assets 1 and Sale Assets 2 shall be conditional upon the fulfilment of the following conditions precedent:

- (i) the Company having obtained, on terms and conditions reasonably acceptable to the Company, all necessary consents and approvals, including the approval of the Shareholders at the SGM (the “**Shareholders’ Approval**”), approving the entering into the SPA 1 and the transactions contemplated thereunder upon the terms and conditions of the SPA 1 (collectively, the “**Listco Consent Condition**”), on or before the Long Stop Date;
- (ii) the Purchaser having obtained all consents required, on terms which are reasonably acceptable to the Purchaser, under the applicable laws and regulations of NZ to acquire the Sale Assets 1 and the Sale Assets 2 contemplated under the SPA 1 (the “**OIO Consent Condition**”) on or before the OIO Consent Date or a later day as the parties may otherwise agree pursuant to the terms of the SPA 1; and
- (iii) the Vendor 1 having executed a deed of reciprocal access licence over the Māori Land in favour of the Purchaser for vehicle access to Maropiu from the legal road; and the Purchaser having agreed to grant reciprocal access rights for the Vendor 1 to have access from Maropiu to Māori Land from the legal road.

Condition (iii) can be waived by either party to the SPA 1. Conditions (i) and (ii) are not waivable by any party to the SPA 1.

As at the Latest Practicable Date, none of the SPA 1 Conditions have been fulfilled.

### Completion of the SPA 1

Subject to the fulfilment of all the SPA 1 Conditions (or otherwise waived as mentioned above), completion of the SPA 1 shall take place on the Completion Date 1.

On the Completion Date 1:

- (a) the Purchaser shall make available to the Vendor 1 and Vendor 2, among other things:
  - (i) pay the Balance SPA 1 Consideration to the Vendor 1 and the Vendor 2 in the manner mentioned above;
  - (ii) deliver the duly executed Forest Management Agreement; and
  - (iii) deliver executed deed(s) of reciprocal access licence over Maropiu for access to Māori Land from the legal road in favour of the Vendor 1.

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## LETTER FROM THE BOARD

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- (b) the Vendor 1 and Vendor 2 shall make available to the Purchaser, among other things:
  - (i) deliver executed transfers in registrable form and other documents as may be needed in connection with the sale of the Sale Assets 1 and Sale Assets 2 or required to transfer title to the Sale Assets 1 and Sale Assets 2 pursuant to the SPA 1 to the Purchaser including executed transfers in registrable form;
  - (ii) deliver the duly executed Forest Management Agreement;
  - (iii) deliver executed deed(s) of reciprocal access licence over Māori Land for access to Maropiu from the legal road in favour of the Purchaser; and
  - (iv) pay to the Purchaser the applicable Land Information New Zealand registration fee.

Immediately after the above Completion, the Vendor 1 and Vendor 2 will cease to be the owner of the Sale Assets 1 and Sale Assets 2, respectively.

### **Guarantee**

The Company unconditionally and irrevocably guarantees the punctual performance of all of the obligations of the Vendor 1 and Vendor 2 under the SPA 1, provided that in no circumstance the aggregate liability of the Vendor 1 and Vendor 2 for all claims the Purchaser may have against the Vendor 1 and Vendor 2 under the SPA 1 shall exceed the SPA Consideration 1. However, such limitation shall not apply to any claim the Purchaser may have against the Vendor 1 and/or Vendor 2 for fraud, fraudulent misrepresentation or willful concealment.

### **Termination**

Either party to the SPA 1 may terminate the SPA 1 by providing notice of termination to the other if:

- (i) the Listco Consent Condition in respect of SPA 1 is not satisfied by the Long Stop Date; or
- (ii) the Purchaser is unable to procure the satisfaction of the OIO Consent Condition in respect of the acquisition of the Sale Assets 1 and the Sale Assets 2 contemplated under the SPA 1 by the OIO Consent Date (or as extended by the parties pursuant to the terms of the SPA 1).

Neither party will have any claim against the other arising from or in connection with a termination of the SPA 1 provided that the termination will be without prejudice to the rights and remedies available to either party arising from or in connection with any antecedent breach of the SPA 1.

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## LETTER FROM THE BOARD

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### **Forest Management Agreement**

On the date of SPA 1, a subsidiary of the Purchaser (the “**Principal**”) and the Forest Manager have entered into a Forest Management Agreement with a three-year term over the Sale Assets, commencing from the Completion Date 1.

Pursuant to the Forest Management Agreement, the Forest Manager will provide a range of services to the Principal including, among other matters, root raking, supply of tree stocks, planting, road maintenance, environmental management, operation planning and scheduling. At the request of the Principal, the Forest Manager may also provide harvesting and sales services such as preparing harvesting plans, log felling, hauling, cartage, and the sale and marketing of forest products (collectively, the “**Forest Management Services**”).

The Forest Manager will charge a fixed annual fee at approximately NZ\$214,000 for managing the Sale Assets, together with variable fees calculated based on actual works performed, measured on a per hectare basis, in accordance with market practice.

### **Other arrangement on the sale of management subsidiaries**

Pursuant to the SPA 1, the parties further agree that if the Company or any of its related companies (as defined under section 2(3) of the Companies Act 1993 of NZ) (each, a “**Relevant Company**”) wishes to sell any shares (the “**Sale Shares**”) in four indirect wholly-owned forest management subsidiaries of the Company collectively, within five years after the Completion Date 1, the Purchaser will have a right of first refusal to acquire the Sale Shares, and the Vendor 1 and Vendor 2 and the Company must, and must procure that such Relevant Company, first gives notice to the Purchaser, offering to sell the Sale Shares to the Purchaser (the “**Sale Offer**”). At the expiry of the Forest Management Agreement, the Company agrees to enter into negotiations with the Purchaser with regard to a Sale Offer.

If the relevant parties do not execute a definitive sale and purchase agreement for the Sale Shares within 20 Working Days from the Purchaser’s receipt of the above Sale Offer, the Company or the Relevant Company may sell the shares to a third party on terms that are not more favourable to that third party purchaser than under the Sale Offer.

## **2. The SPA 2**

The principal terms of the SPA 2 are set out below:

Date: 29 August 2025 (after trading hours of the Stock Exchange)

Parties: (i) the Vendor 3;  
(ii) the Purchaser; and  
(iii) the Company

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## LETTER FROM THE BOARD

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### Assets to be disposed of

Pursuant to the SPA 2, the assets to be disposed of by the Vendor 3 to the Purchaser under the SPA 2 comprise mainly the following assets:

- (i) a parcel of land located in the Mangakahia Forest, Northland region of NZ with an indicative total land area measuring approximately 66 hectares owned by the Vendor 3, together with any buildings and yards, Trees, fences, tracks, dams, and any other improvement thereon (if any) (collectively, the “**Māori Land**”); and
- (ii) all records, operational data and any other information relating to the Trees and/or the Māori Land held by the Vendor 3 (collectively, the “**Sale Assets 3**”).

### Consideration and payment terms

The consideration for the Sale Assets 3 is NZ\$0.68 million (equivalent to approximately HK\$3.12 million) (the “**SPA Consideration 2**”), which shall be payable by the Purchaser to the Vendor 3.

The Purchaser shall pay the SPA Consideration 2 in the following manners:

- (a) NZ\$68,034 (equivalent to approximately HK\$0.32 million), being 10% of the SPA Consideration 2 as deposit (the “**Deposit 2**”), of which:
  - (i) NZ\$34,017 (equivalent to approximately HK\$0.16 million), being 50% of the Deposit 2, shall be paid by the Purchaser to the trust account of the NZ legal adviser of the Vendor 3 within 10 Working Days of the date of the SPA 2 by electronic bank transfer as cleared funds; and
  - (ii) NZ\$34,017 (equivalent to approximately HK\$0.16 million), being the remaining 50% of the Deposit 2, shall be paid by the Purchaser to the trust account of the NZ legal adviser of the Vendor 3 within 10 Working Days of the later of the date of satisfaction of the OIO Consent Condition and the Listco Consent Condition in respect of the SPA 2 and the transactions contemplated thereunder, by electronic bank transfer as cleared funds.

The Deposit 2 shall form part payment of the SPA Consideration 2 and be promptly placed in an escrow account by the NZ legal adviser of the Vendor 3 as stakeholder until Completion of the SPA 2; and

- (b) NZ\$612,308 (equivalent to approximately HK\$2.80 million), being 90% of the SPA Consideration 2 shall be paid by the Purchaser to the Vendor 3 in cleared funds on the Completion Date 2 (the “**Balance SPA 2 Consideration**”).



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## LETTER FROM THE BOARD

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### **SPA 2 Conditions precedent to Completion**

Pursuant to the SPA 2, the sale and purchase of the Sale Assets 3 shall be conditional upon the fulfilment of the following conditions precedent:

- (i) the Completion of the SPA 1 pursuant to the terms and conditions of the SPA 1 which shall be deemed to have fulfilled on the Completion Date 1;
- (ii) the Vendor 3 having obtained the Māori Court Confirmation for the sale of the Sale Assets 3 to the Purchaser;
- (iii) the Company having fulfilled the Listco Consent Condition in respect of SPA 2 and the transactions contemplated thereunder, on or before the Long Stop Date; and
- (iv) the Purchaser having fulfilled the OIO Consent Condition in respect of the acquisition of the Sale Assets 3 contemplated under the SPA 2, on or before the OIO Consent Date or a later day as the parties may otherwise agree.

All the above conditions are not waivable.

As at the Latest Practicable Date, none of the SPA 2 Conditions have been fulfilled.

### **Completion of the SPA 2**

Subject to the fulfilment of all the SPA 2 Conditions, completion of the SPA 2 shall take place on the Completion Date 2.

On the Completion Date 2:

- (i) the Purchaser shall pay the Balance SPA 2 Consideration to the Vendor 3 in the manner mentioned above; and
- (ii) the Vendor 3 shall (i) deliver executed transfers in registrable form and other documents as may be needed in connection with the sale of the Sale Assets 3 or required to transfer title to the Sale Assets 3 pursuant to the SPA 2 to the Purchaser including executed transfers in registrable form; and (ii) pay to the Purchaser the applicable Land Information New Zealand registration fee.

Immediately after the above Completion, the Vendor 3 will cease to be the owner of the Sale Assets 3.

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## LETTER FROM THE BOARD

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### **Guarantee**

The Company unconditionally and irrevocably guarantees the punctual performance of all of the obligations of the Vendor 3 under the SPA 2, provided that in no circumstance the aggregate liability of the Vendor 3 for all claims the Purchaser may have against the Vendor 3 under the SPA 2 shall exceed the SPA Consideration 2. However, such limitation shall not apply to any claim the Purchaser may have against the Vendor 3 for fraud, fraudulent misrepresentation or willful concealment.

### **Termination**

Either party to the SPA 2 may terminate the SPA 2 by providing notice of termination to the other if:

- (i) the Listco Consent Condition in respect of SPA 2 is not satisfied by the Long Stop Date; or
- (ii) the Purchaser is unable to procure the satisfaction of the OIO Consent Condition in respect of the acquisition of the Sale Assets 3 contemplated under the SPA 2 by the OIO Consent Date (or as extended by the parties pursuant to the terms of the SPA 2).

Neither party will have any claim against the other arising from or in connection with a termination of the SPA 2 provided that the termination will be without prejudice to the rights and remedies available to either party arising from or in connection with any antecedent breach of the SPA 2.

The rationale for entering into the SPA 1 in respect of the Sale Assets 1 and Sale Assets 2 on one part, and the SPA 2 in respect of the Sale Assets 3 on the other part was mainly due to the commercial reason that the majority of the Sale Assets, for instance, the freehold forestry land under the SPA 1, can be transferred to the Purchaser upon Completion Date 1, without having to complete SPA 2 which is conditional upon the obtaining of the Māori Court Confirmation. Specifically, the obtaining of the Māori Court Confirmation in respect of the Sale Assets 3 is an additional statutory and administrative procedures pursuant to the TTWMA, which would typically take approximately 12 to 15 months to complete and the success of which is beyond control of the Vendor 3 and the Purchaser. To avoid an extended approval process that would delay Completion of the entire Disposal, the Sale Assets 3 has been carved out into a separate sale and purchase agreement so that the bulk of the Sale Assets under the SPA 1 can proceed to Completion without undue delay.

For the avoidance of doubt, the completion of SPA 1 is not conditional upon the completion of SPA 2 whereas the completion of SPA 2 is conditional upon the completion of SPA 1 as disclosed in the section headed “SPA 2 Conditions precedent to Completion” in this circular.

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## LETTER FROM THE BOARD

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### VALUATION OF THE SALE ASSETS

The valuation of the tree crops was prepared by Indufor based on income approach in accordance with the Valuation Standards of the New Zealand Institute of Forestry and in conformity with the Uniform Standards of Professional Appraisal Practice, while the valuation of the forestry land (the “**Forest Land Valuation**”) was prepared by Arotahi based on market comparison approach in accordance with the Guidance Papers for Valuers and Property Professionals (Best Practice) issued by the New Zealand Institute of Valuers and the International Valuation Standards. The Forest Land Valuation has also complied with the relevant requirements set out in Chapter 5 of the Listing Rules.

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

<b>Mangakahia Estate, as at 31 August 2025</b>	<b>Range</b>	<b>Average</b>
<b>Unobservable input</b>		
Forecast unit log price at wharf gate (AWG), comprised with:	NZ\$57 – 204/m <sup>3</sup>	NZ\$128/m <sup>3</sup>
Harvest yield (m <sup>3</sup> /ha)	526 – 726	565
Production costs	NZ\$48 – 60/m <sup>3</sup>	NZ\$55/m <sup>3</sup>
Transport costs	NZ\$23 – 42/m <sup>3</sup>	NZ\$30/m <sup>3</sup>
Discount rate	7.0%	7.0%
 <b>Ormond Valley Estate, as at 31 August 2025</b>	 <b>Range</b>	 <b>Average</b>
<b>Unobservable input</b>		
Forecast unit log price at wharf gate (AWG), comprised with:	NZ\$80 – 196/m <sup>3</sup>	NZ\$145/m <sup>3</sup>
Harvest yield (m <sup>3</sup> /ha)	703	703
Production costs	NZ\$69/m <sup>3</sup>	NZ\$69/m <sup>3</sup>
Transport costs	NZ\$13 – 14/m <sup>3</sup>	NZ\$14/m <sup>3</sup>
Discount rate	7.0%	7.0%

Further details of the valuation, valuation basis, methodologies and key assumptions of the tree crops and the forestry land are included in the Indufor Valuation Report and Arotahi Valuation Report, respectively, which are set forth in Appendices V and VI to this circular.

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## LETTER FROM THE BOARD

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### **Independence of the Valuers**

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Directors are not aware of any relationships or interests between each of the Valuers and the Group, the Purchaser, or any of their respective substantial shareholders, directors or chief executives, or of their respective associates that could reasonably be regarded as relevant to the independence of the Valuers. Apart from normal professional fees payable to the Valuers in connection with the valuation of the Sale Assets, no arrangement exists whereby the Valuers will receive any fees or benefits from the Company, the Purchaser, or any of their respective substantial shareholders, directors or chief executives, or any of their respective associates, and it is not aware of the existence of or change in any circumstances that would affect their independence. Each of the Valuers has confirmed to the Company of their independence. Accordingly, the Directors considered that the Valuers are eligible to independently perform the valuation of the Sale Assets.

### **Qualifications of the Valuers**

The Indufor Valuation Report, as set out in Appendix V to this circular, was prepared with oversight by Tim Ross and David Nicoll, being the senior consultants of Indufor. The Arotahi Valuation Report, as set out in Appendix VI to this circular, was prepared with oversight by Carolyn Blair and Scott Carter, who are registered valuers of Arotahi. The Directors have assessed the qualification, experience and the track record of each of the Valuers and are of the view that Tim Ross and David Nicoll of Indufor, and Carolyn Blair and Scott Carter of Arotahi, are all registered valuers and have years of experience in forest planning and management and/or valuation of forestry assets across the world. Accordingly, they are considered qualified, experienced and competent in performing the respective valuation of the Sale Assets.

### **BASIS OF THE CONSIDERATIONS**

The Consideration was determined after arm's length negotiations between the Vendors and the Purchaser with reference to, among other things, (a) the book value of the Sale Assets of approximately NZ\$114.38 million (equivalent to approximately HK\$524.79 million) as at 30 June 2025, which comprises (i) the appraised value of the tree crops and forest land of the Sale Assets at approximately NZ\$91.76 million (equivalent to approximately HK\$421.02 million) as at 30 June 2025 and (ii) the carrying amount of the infrastructure improvement of approximately NZ\$22.62 million (equivalent to HK\$103.77 million) as at 30 June 2025, (b) the appraised value as at 30 June 2025 of the Sale Assets of approximately NZ\$91.76 million (equivalent to approximately HK\$421.02 million) under the valuation based on income approach (save for the appraised value of the forest land comprised in the Sale Assets which was based on the market comparison approach) conducted by the relevant valuers, (c) a premium of the Sale Assets' book value based on the Purchaser's internal assessments of the Sale Assets leading to their resultant offer price for the Sale Assets, (d) the nature, profile, current stage of the lifecycle and location of the Sale Assets, and (e) the reasons for and benefits of the Disposal as set out in the section headed "Reasons for and benefits of the Disposal and use of proceeds" in this circular.

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## LETTER FROM THE BOARD

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For illustrative purposes, set out below is the comparison of (a) the Consideration under the SPAs, and (b) the quantitative information based on the valuation reports as set out in Appendices V and VI to this circular in relation to the Sale Assets and the carrying value of the infrastructure located in Mangakahia Estate and Ormond Valley Estate.

*NZ\$ million*

***Consideration (A)***

Aggregated Consideration of Sale Assets 1, Sale Assets 2 and Sale Assets 3 (collectively, the “ <b>Sale Assets</b> ”)	134.150
	134.150

***Value of key components of the Sales Assets (B)***

Appraised value for the tree crop in relation to Mangakahia Estate under the Sale Assets as at 31 August 2025 based on the Indufor Valuation Report (Sale Assets 1 and Sale Assets 3)	56.818
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Appraised value for the tree crop in relation to Ormond Valley Estate under the Sale Assets as at 31 August 2025 based on the Indufor Valuation Report (Sale Assets 2)	2.465
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Appraised value for the land in relation to Mangakahia Estate under the Sale Assets as at 31 August 2025 based on the Arotahi Valuation Report (Sale Assets 1 and Sale Assets 3)	29.080
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Appraised value for the land in relation to Ormond Valley Estate under the Sale Assets as at 31 August 2025 based on the Arotahi Valuation Report (Sale Assets 2)	0.545
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The carrying amount of the infrastructure located in Mangakahia Estate and Ormond Valley Estate (Sale Assets 1, Sale Assets 2 and Sale Assets 3)	22.616
	22.616

Sub-total (the “ <b>Aggregated Value</b> ”)	111.524
	111.524

The premium represented by the Consideration over the Aggregated Value ( <b>A – B</b> )	22.626
	22.626

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## LETTER FROM THE BOARD

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The Consideration was proposed by the Purchaser during commercial negotiations and was assessed by the Board on arm's length basis. Having considered, among other reasons as set out in this section above, (i) the Consideration represents a premium of approximately NZ\$22.63 million or approximately 20.3% over the Aggregated Value of approximately NZ\$111.52 million, being the sum of the appraised value of the tree crops and the land of the Sale Assets as at 31 August 2025 and the carrying amount of the infrastructure located in Mangakahia Estate and Ormond Valley Estate, (ii) subject to audit, the Disposal is expected to result in a notable accounting gain for the Group of approximately NZ\$12.24 million, further details of which are set out in the section headed "Possible financial effect of the Disposal" in this circular, (iii) the Consideration of approximately NZ\$134.15 million will be settled entirely in cash, providing the Company with immediate access to funds and enhancing its overall financial flexibility, and (iv) the cash proceeds of the Consideration will enable the Company to redeploy capital more efficiently in alignment with its strategic objectives, particularly in support of the Group's ongoing transition toward an asset-light business model, details of which are set out under the section headed "Reasons for and benefits of the Disposal and use of proceeds - Reasons for and benefits of the Disposal" in this circular, the Board considers the terms of the Disposal, including the Consideration and method of settlement, are fair and reasonable and in the interest of the Company and its shareholders as a whole.

### PROFIT FORECAST UNDER THE INDUFOR VALUATION REPORT

According to the Indufor Valuation Report, the tree crops and forest land of the Sale Assets were appraised at approximately NZ\$88.91 million (equivalent to approximately HK\$407.95 million) as at 31 August 2025, being the aggregate amount of (i) approximately NZ\$59.29 million (equivalent to approximately HK\$272.04 million) for the tree crops, using the discounted cash flow method under the income approach (the "**DCF Approach**"), and (ii) approximately NZ\$29.62 million (equivalent to approximately HK\$135.91 million) for the forest land with reference to the Arotahi Valuation Report, using the market comparison approach as the adopted valuation method.

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

### The principal assumptions underlying the Profit Forecast

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

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

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## LETTER FROM THE BOARD

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### **Review by the Reporting Accountants**

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

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

### **Review by the Financial Adviser**

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

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

## **INFORMATION ON THE PARTIES**

### **The Company and the Vendors**

The principal activity of the Company is investment holding. The principal activities of the Group comprise log harvesting, marketing, sales and trading of logs and timber products and provision of forest management services.

Each of the Vendors is an indirect wholly-owned subsidiary of the Company. Vendor 1 and Vendor 2 are investment and forestry land holding companies, and the holding companies of the Sale Assets 1 and the Sale Assets 2, respectively. Vendor 3 is principally engaged in investment in commercial forestry, and the holding company of the Sale Assets 3.

### **The Purchaser**

The Purchaser is a company incorporated in NZ and its principal business is investment and forestry land holding company. The ultimate beneficial owner of the Purchaser is Stichting INGKA Foundation, a Dutch charitable foundation founded by Ingvar Kamprad. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner(s) is an Independent Third Party.

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## LETTER FROM THE BOARD

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### INFORMATION ON THE SALE ASSETS

A summary of the financial information of the Sale Assets for the financial years ended 31 December 2023 and 31 December 2024 which was prepared in accordance with the accounting principles generally accepted in Hong Kong is set out below:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2023</b>	<b>2024</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue	17,520	–
Loss before taxation ( <i>Note</i> )	(20,045)	(54,674)
Loss after taxation ( <i>Note</i> )	(6,287)	(48,682)

*Note:* As disclosed in the announcement of the Company dated 10 September 2025, the unaudited loss before taxation and the unaudited loss after taxation attributable to the Sale Assets for the year ended 31 December 2023 were approximately HK\$30,951,000 and HK\$17,193,000, respectively. For the year ended 31 December 2024, the unaudited loss before taxation and the unaudited loss after taxation were approximately HK\$66,186,000 and HK\$60,194,000, respectively. The variances between the figures presented in the said announcement and those shown in the table above are primarily due to interest expenses of approximately HK\$10,906,000 and HK\$11,512,000 recorded for the years ended 31 December 2023 and 2024, respectively. These interest expenses arose from loans advanced to the Group's NZ division for general working capital purposes. While the funds from these loans were utilised primarily for funding the Sale Assets, the loan facilities were not specifically tied to or secured against the Sales Assets themselves. Therefore, the financial information of the Sale Assets as set out in the above table was presented on a basis that excludes the interest expenses associated with such loans advanced.

According to the unaudited consolidated financial statements of the Company, as at 30 June 2025, the aggregate net asset value of the Sale Assets was approximately NZ\$114.38 million (equivalent to approximately HK\$524.79 million).

### POSSIBLE FINANCIAL EFFECT OF THE DISPOSAL

Based on (i) the carrying value of the Sale Assets as shown in the unaudited consolidated financial statements of the Company as at 30 June 2025 amounted to approximately NZ\$114.38 million (equivalent to approximately HK\$524.79 million), (ii) the Consideration of approximately NZ\$134.15 million (equivalent to approximately HK\$615.52 million), and (iii) the related expenses of approximately NZ\$7.53 million (equivalent to approximately HK\$34.55 million) for the Disposal, the Group is expected to record a gain of approximately NZ\$12.24 million (equivalent to approximately HK\$56.18 million) from the Disposal.

The actual financial effect in connection with the Disposal is subject to review and final audit by the Company's auditor and therefore may be different from the figures provided above. Shareholders and potential investors of the Company should note that the above estimation is for illustrative purpose only.



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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS

The Group is principally engaged in log harvesting, marketing, sales and trading of logs and timber products and provision of forest management services.

#### *Existing business model of the Group*

(a) Suriname

Following the disposal of the majority of its substantial loss-making subsidiaries in Suriname, the remaining subsidiaries of the Company in Suriname are relatively small in scale and do not hold timber concessions or cutting rights. The Group does not expect them to create a significant financial burden given their minimal holding costs.

(b) New Zealand

Prior to the Disposal, the Group's NZ operations were based on a mixed model of:

- (i) holding a portfolio of freehold forest land and trees in North Island of NZ, being the Sale Assets. The Sale Assets comprise trees that mature over an extended cycle of approximately 15 years. However, the maturity profile of these trees is uneven, with certain age classes concentrated within a short period of seven years. Mature trees need to be harvested within a relatively short period of time before they grow beyond the optimal size for harvesting, transportation and marketing. This skewed maturity profile would result in uneven wood flow over time, causing fluctuations in revenue, profit and cashflows of the Group;
- (ii) holding forestry rights over land owned by third party forest landowners (the “**Cutting Rights**”), further details of which are set out below. The third party forest landowners cannot unilaterally terminate the Cutting Rights prior to the expiry of the term of the relevant agreements so long as the Group complies with the terms of the relevant agreements; and
- (iii) in addition, the Group owns four forest management companies in NZ, which in aggregate generated management fees of approximately HK\$5.3 million from its forest management services for the year ended 31 December 2024.

For information purposes only, for the year ended 31 December 2024, the Group generated revenue of:

- (i) approximately HK\$12.7 million from its Suriname operations;
- (ii) approximately HK\$33.9 million from its Waipoua Forestry Rights; and
- (iii) approximately HK\$5.3 million from its forest management services.

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## LETTER FROM THE BOARD

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Under the Group's existing business model, the Group sources potential Cutting Rights from the market, assesses their suitability, and enters into negotiation and/or bids to secure those Cutting Rights that are aligned with the Company's strategy at a reasonable price. Once acquired, the Group manages the Cutting Rights strategically across the lease period, which generally covers not less than one full cycle of the trees crops. This involves planning and building the necessary infrastructure such as access roads, preparing annual harvest plans, harvesting the trees and carrying out sales and marketing of logs. After each harvest, the Group continues to maintain the infrastructure, replant the trees, perform silviculture and other care for the next rotation. The aforesaid activities and responsibilities of the Group will remain the same under the future business model of the Group, as further set out under the section headed "Future business model of the Group following the Disposal" in this circular.

The Sale Assets entered a regrowth phase from mid-2023 onward and would not have any trees mature enough for harvesting nor generating revenue until 2028. In the meantime, the Group continues to incur significant ongoing costs and record cash outflow for replanting, silviculture and maintenance (the "**Ongoing Costs**"). The Sale Assets did not generate any revenue for the Group for the year ended 31 December 2024 and will not generate revenue for the Group until 2028, with positive cash inflows projected from 2031 and peak harvesting levels by 2037. The Group's revenue in near-term from the NZ division will primarily rely on the Cutting Rights acquired to date. To this end, not only will the Disposal not lead to a reduction in the Group's revenue, it will contribute towards the improvement in the overall financial performance of the Group in the near term as the Group will not incur the Ongoing Costs after the Completion and will benefit from the gain on disposal as further set out under the section headed "Possible financial effect of the Disposal" in this circular. Furthermore, pursuant to the Forest Management Agreement, if consummated, the Group expects to broaden its income base and generate additional revenue during the term of the Forest Management Agreement.

- *Existing Cutting Rights acquired by the Group*

Over the years, the Board has tried to balance the maturity profile of the Group's plantation forest assets in NZ in order to provide a stable and predictable revenue stream. Since 2017, the Group has actively pursued opportunities to acquire Cutting Rights from third-party forest owners with a view to smoothing out the wood flow and transform into an asset-light business model. Between 2017 and 2021, the Group successfully acquired certain Cutting Rights which had started to generate revenue from 2018 onwards, partially bridging the anticipated shortfall in the harvest schedule.

As at the Latest Practicable Date, the Group has been granted the Cutting Rights in respect of the Waipoua Forest (the "**Waipoua Forestry Rights**") and the Meridian Forest (the "**Meridian Forestry Rights**") in NZ. Details of the acquisitions are set forth in the Company's announcements dated 18 October 2018 and 25 September 2017, respectively.

Such Cutting Rights include rights to establish, maintain and harvest trees on the forestry land covered by the Waipoua Forestry Rights with approximately 1,716 net productive hectares as at 30 June 2025, and the Meridian Forestry Rights with approximately 557 net productive hectares as at 30 June 2025. The appraised value of the standing timber on forestry land covered by the Waipoua Forestry Rights and the Meridian Forestry Rights was approximately NZ\$5.42 million (equivalent to approximately HK\$24.87 million) and NZ\$3.21 million (equivalent to approximately HK\$14.73 million), respectively, as at 30 June 2025.

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## LETTER FROM THE BOARD

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The existing term of the Waipoua Forestry Rights would end in October 2045 (extension of another 25 years is currently under negotiation with the landowner), and the Meridian Forestry Rights would end in September 2050, which can be renewed for a further 25 years. In other words, the remaining term of the Waipoua Forestry Rights and the Meridian Forestry Rights are approximately 20 years and 25 years, respectively, from the Latest Practicable Date.

- *Lifecycle and current stage of the existing Cutting Rights*

Since 2024, the Group's revenue has primarily relied on the Cutting Rights, particularly from the Waipoua Forestry Rights. The Waipoua Forestry Rights is currently expected to produce approximately 40,000 to 60,000 tonnes of annual harvest volume per year until 2031. This equates to harvesting approximately 120 to 150 hectares of productive area annually and contributes approximately US\$4.8 million (approximately HK\$37.4 million) per year. After 2031, the volume is expected to decline gradually to approximately 12,000 to 14,000 tonnes per year until 2040.

The Meridian Forestry Rights completed their first harvest in 2024 and are currently in its regeneration phase, with no harvestable volume expected until 2029, when the next tree crops will begin to mature. The harvest volume is expected to increase to approximately 40,000 tonnes annually between 2032 and 2033. The next significant harvest cycle is expected to commence from 2045 onwards, producing approximately 40,000 tonnes per year.

### *Reasons for and benefits of the Disposal*

However, the Group's financial resources have been constrained by continued losses from its Suriname operations. This has limited the Group's ability to invest in additional short-term Cutting Rights since 2021.

In this connection, the Disposal offers a timely opportunity for the Group to realise the value of its long-term forest land and tree crop assets which are not expected to generate revenue in the near term, while the Consideration also represents a notable premium to the appraised value of the Sale Assets.

Furthermore, by liquidating these forest assets, the Group can adopt an asset-light business model by reinvesting part of the Net Proceeds from the Disposal to acquire Cutting Rights with near term maturity profiles, in order to lessen the periodic fluctuations in revenue and cashflow of the Group subject to the harvesting phases of the forestry assets held by the Group, rebalance the forestry portfolio and optimize return on capital.

The Board has also evaluated the option to retain the Sale Assets until their next harvest cycle in 2028. However, this would require reserving significant financial resources to cover the Ongoing Costs over the next four to eight years without any material revenue. The Board has concluded that given the Group's existing financial resources, this option is not commercially viable nor cost-efficient and would limit the Group's ability to rebalance its forestry portfolio.

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## LETTER FROM THE BOARD

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In addition to reinvesting in forest Cutting Rights in NZ, the Board is also open to exploring other investment opportunities in different regions, with the objective of diversifying the Group's portfolio and expanding its revenue streams as and when suitable opportunities arise.

### *Future business model of the Group following the Disposal*

Upon the completion of the Disposal, the Group will cease to hold any forestry land in NZ. Going forward, the Board expects the Group will further develop its asset-light business model, which is not uncommon in the market, where it would principally generate revenues from:

- (i) existing Cutting Rights as described above;
- (ii) new Cutting Rights to be acquired from third party forest landowners;
- (iii) forest management fees pursuant to the Forest Management Agreement and other possible forest management arrangements with third party forest landowners; and
- (iv) sales and trading of logs and timber products.

Furthermore, the Group has secured a Forest Management Agreement with the Purchaser to continue providing management services for the Sale Assets for a further three years (unless terminated earlier). This is expected to contribute an additional revenue of US\$0.15 million (equivalent to approximately HK\$1.17 million) per year.

For information purposes, the Group's carrying value of its forestry assets (excluding the Sale Assets), including the Cutting Rights and other related non-current assets, amounted to approximately HK\$65.15 million as at 30 June 2025. When assessing the sustainability of its forestry business and operations, the carrying value of its forestry assets should be and therefore was evaluated alongside other factors, including but not limited to the harvestable area, level of wood productions per annum, the phase(s) in the lifecycle of the forestry assets in its portfolio as a whole as well as the business model of the forestry business.

Based on the above, the Board considers the Disposal to be the most commercially sensible option given the alternatives currently available to the Company. Accordingly, the Directors are of the view that the terms of the SPAs are fair and reasonable, and the Disposal are in the interest of the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### *Use of proceeds*

The Company expects to receive net proceeds of approximately NZ\$126.62 million (equivalent to approximately HK\$580.97 million) from the Disposal (the “**Net Proceeds**”), after deducting estimated transaction costs and professional expenses of approximately HK\$34.55 million.

The Company intends to use the Net Proceeds in the manners below:

- (i) approximately HK\$240.00 million, representing approximately 41.31% of the Net Proceeds will be used for acquiring additional Cutting Rights and conducting feasibility studies and assessments of other potential investment opportunities in different regions, with the aim of diversifying and enlarging the Group’s portfolio and revenue streams. Barring unforeseen circumstances and subject to the suitable Cutting Rights being available at a reasonable price and commercial terms, the Group expects to acquire these Cutting Rights in phases within 24 months from the Completion Date 1. The Company shall target Cutting Rights with (a) near maturity profiles from the Completion Date 1, and (b) harvest cycle(s) that are suited to smooth out the wood flow of the Group’s existing forestry assets in its portfolio. The amount required for such acquisition(s), feasibility studies and assessments are determined based on prevailing market price of the Cutting Rights over medium-sized harvestable area which are most commonly available in the market, in particular, in NZ. Such Cutting Rights would typically produce approximately 75,000 to 150,000 tonnes of logs per year and/or are best suited to smooth out the wood flow of the Group’s existing forestry assets in its portfolio, particularly during the period between 2034 and 2044, when the harvestable volume from the existing Cutting Rights is expected to decrease significantly while awaiting the next harvest cycle to mature. The Board is of the view that such allocation is reasonably achievable given the Group’s current scale of operations and resources so as to maintain a smooth and sizable wood flow in the short to medium term. The Board expects the additional Cutting Rights of approximately 75,000 to 150,000 tonnes of logs per year would contribute approximately additional US\$6 million to US\$12 million (equivalent to approximately HK\$46.8 million to HK\$93.6 million) in annual revenue to the Group. While the Group will focus on Cutting Rights primarily in NZ, it remains open to investment opportunities in other regions, particularly in the Asia Pacific region. Part of the allocated amount will be used for feasibility studies, and additional resources may be committed if attractive investments are identified at reasonable valuations. As at the Latest Practicable Date, the Company has a concrete plan of actions as set out above, but the Company has not yet secured nor entered into a definitive agreement for an acquisition target;
- (ii) approximately HK\$264.68 million, representing approximately 45.56% of the Net Proceeds will be used to repay the obligations arising from (a) the interest-bearing revolving facilities which are due from the Group to financial institution(s) within the next 12 months of approximately HK\$22.94 million, and (b) the interest-bearing term loan facilities which are due from the Group to non-financial institution(s) within the next 12 to 24 months of approximately HK\$241.74 million;

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- (iii) approximately HK\$48.47 million, representing approximately 8.34% of the Net Proceeds will be used as general working capital covering, among other things, (a) general administrative and operating expenses in relation to the management and operations of the Group's forestry assets, (b) the Group's NZ operations, including general working capital for daily operating expenses, (c) the Group's compliance, regulatory and administrative costs necessary to maintain the Company's status as a listed entity, and (d) meeting obligations incurred by the Group in its ordinary course of business as and when they fall due; and
- (iv) approximately HK\$27.82 million, representing approximately 4.79% of the Net Proceeds will be reserved for distribution of the Special Dividend of HK\$0.01 per Share to the Shareholders, based on the number of outstanding Shares as at the Latest Practicable Date.

### PROPOSED DECLARATION OF SPECIAL DIVIDEND

The Board intends to declare a Special Dividend of HK\$0.01 per Share to the Shareholders. As at the Latest Practicable Date, the total number of issued Shares (assuming no issue of new Shares or repurchase of Shares on or before the record date of the Special Dividend) of the Company is 2,782,486,584. The total amount of the Special Dividend, if paid out, will be approximately HK\$27.82 million. Payment of the Special Dividend is conditional upon Completion, which in turn is conditional upon, among other things, the passing of the relevant ordinary resolution(s) by the Shareholders at the SGM.

The payment of the Special Dividend is conditional upon the satisfaction of the following conditions (the "**Special Dividend Conditions**"):

- (i) the passing of an ordinary resolution by the Shareholders at the SGM approving the SPAs and the transactions contemplated thereunder and the completion of the Disposal having taken place (including but not limited to the fulfilment of the OIO Consent Condition);
- (ii) the passing of an ordinary resolution by the Shareholders at the SGM approving the proposed declaration and payment of the Special Dividend;
- (iii) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, or would after the date on which the Special Dividend is paid be, unable to pay its liabilities as they become due, or the realisable value of the Company's assets would thereby be less than its liabilities; and
- (iv) the Company having complied with all requirements under the laws of Bermuda, the Bye-Laws of the Company and the Listing Rules regarding the payment of Special Dividend.

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The conditions above cannot be waived. If the conditions are not satisfied, the Special Dividend will not be paid. The record date for determining entitlements to receive the Special Dividend will be fixed upon the fulfilment of the above conditions. Further announcement(s) in respect of the details of the Special Dividend, including but not limited to the closure date of the register of members of the Company, the record date for determining entitlements to receive the Special Dividend and the payment date for the Special Dividend, will be made by the Company as and when appropriate.

The Special Dividend will be paid out of the Net Proceeds.

**If the ordinary resolution to approve the SPAs is not passed by the Shareholders at the SGM or if Completion does not take place for any reason, the Special Dividend will not be paid to the Shareholders. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the Shares.**

### IMPLICATIONS UNDER THE LISTING RULES

In relation to the transactions contemplated under the SPA 1, as the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the SPA 1 exceeds 75%, the transactions contemplated thereunder on a stand-alone basis will constitute a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

In relation to the transactions contemplated under the SPA 2, as none of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the SPA 2 exceeds 5%, the transactions contemplated thereunder on a stand-alone basis does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

However, pursuant to Rule 14.22 of the Listing Rules, a series of transactions will be aggregated and treated as if they were one transaction if they were all completed within a 12-month period or are otherwise related. As the SPA 1 and the SPA 2 were entered into between the Vendors, which are the indirect wholly-owned subsidiaries of the Company, the Purchaser and the Company at the same time and are of similar nature, the Disposal contemplated under the SPA 1 and the SPA 2 shall be aggregated for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal will constitute a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.



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### THE SGM AND ACTION TO BE TAKEN

The SGM will be convened at Basement 2, Function Room, The Wharney Guang Dong Hotel Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong on Monday, 24 November 2025 at 11:30 a.m. for the Shareholders to consider and, if thought fit, approve, among other things, the SPAs and the transactions contemplated thereunder and the proposed declaration of the Special Dividend.

Any Shareholders who are involved in or interested in the SPAs are required to abstain from voting on the relevant ordinary resolution approving the SPAs and the transactions contemplated thereunder, and the proposed declaration of the Special Dividend. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or its/his/her associate(s) has any material interest in the SPAs and the transactions contemplated thereunder and the proposed declaration of the Special Dividend. Therefore, none of the Shareholders and their associates is required to abstain from voting at the SGM on the resolution(s) in relation to the SPAs and the transactions contemplated thereunder, and the proposed declaration of the Special Dividend.

The notice of the SGM is set out on pages SGM-1 to SGM-3 of this circular. A proxy form for use at the SGM is enclosed with this circular. Such proxy form is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.greenheartgroup.com](http://www.greenheartgroup.com)).

Whether or not you are able to attend the SGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event no later than 48 hours (excluding any part of a day that is a public holiday) before the time for holding the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and, in such event, the appointment of the proxy shall be deemed to be revoked.

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' eligibility to attend and vote at the SGM or at any adjournment thereof, the register of members of the Company will be closed as set out below:

Latest time to lodge transfer documents for registration with the Company's branch share registrar and transfer office in Hong Kong	4:30 p.m. on 18 November 2025
Closure of the register of members of the Company	19 November 2025 to 24 November 2025 (both dates inclusive)
Record date	24 November 2025



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During the above closure period, no transfer of Shares will be registered. To be eligible to attend and vote at the SGM or at any adjournment thereof, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 18 November 2025.

### VOTING AT THE SGM

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the SGM will therefore demand a poll for each and every resolution put to the vote at the SGM. An announcement for the poll results will be published by the Company following the conclusion of the SGM on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.greenheartgroup.com](http://www.greenheartgroup.com)).

### RECOMMENDATION

The Board is of the view that the terms of the SPAs are fair and reasonable, and the Disposal contemplated under the SPAs as well as the proposed declaration of the Special Dividend are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions in relation to the Disposal contemplated under the SPAs and the proposed declaration of the Special Dividend to be proposed at the SGM.

### GENERAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board  
**Greenheart Group Limited**  
**Ding Wai Chuen**  
*Executive Director and Chief Executive Officer*

## 1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.greenheartgroup.com](http://www.greenheartgroup.com)), respectively:

- (i) the annual report of the Company for the year ended 31 December 2022 published on 25 April 2023 (pages 74 to 216):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0425/2023042500755.pdf>

- (ii) the annual report of the Company for the year ended 31 December 2023 published on 25 April 2024 (pages 74 to 210):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042500894.pdf>

- (iii) the annual report of the Company for the year ended 31 December 2024 published on 7 April 2025 (pages 68 to 196):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0407/2025040701005.pdf>

- (iv) the interim report of the Company for the six months ended 30 June 2025 published on 11 September 2025 (pages 14 to 55):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0911/2025091100452.pdf>

## 2. INDEBTEDNESS STATEMENT

As at the close of business on 30 September 2025, being the Latest Practicable Date for the purpose of ascertaining information contained in this indebtedness statement prior to the Latest Practicable Date, the indebtedness of the Group was as follows:

	As at 30 September 2025 HK\$'000 (Unaudited)
Bank borrowing – secured and unguaranteed <sup>(Note 1)</sup>	22,597
Lease liabilities <sup>(Note 2)</sup>	12,886
Loans from immediate holding company – unsecured and unguaranteed	216,200
Loans from a fellow subsidiary – unsecured and unguaranteed	222,185
	<hr/>
	473,868
	<hr/> <hr/>

As at 30 September 2025, the aggregated outstanding principal amount of bank borrowing amounted to NZ\$5,000,000 (equivalent to approximately HK\$22,597,000), details of which are set out below:

Lender	Purpose of the subject loan	Principal amount	Interest rate	Maturity date	Payment terms	Security
The Bank of New Zealand	To finance the general working capital for the NZ division	NZ\$5,000,000	Base Rate plus 1.35% per annum	1 May 2026	Interest is payable monthly and principal is repayable by 1 May 2026	Please refer to note 1 below

*Notes:*

- As at 30 September 2025, the Group's bank borrowing was secured by (i) Personal Property of the Selected Group Companies, and (ii) a fixed charge over (a) the Group's forestry land (located in NZ), (b) the Group's plantation forest assets (located in NZ) and all other estates and interests in the said forestry land and all buildings, structures and fixtures on the said forestry land, (c) the Group's pledged bank deposit, and (d) all other present and after acquired property that is not Personal Property of the Selected Group Companies. The bank borrowing will be repaid fully upon the completion of the Disposal.
- As at 30 September 2025, the Group's lease liabilities amounting to approximately HK\$314,000 was guaranteed by the bank (located in NZ) with a maximum aggregate amount of NZ\$12,000 plus goods and service tax and unsecured while the remaining amount of approximately HK\$12,572,000 was unguaranteed, of which HK\$2,067,000 was secured by rental deposits and the remaining amount of approximately HK\$10,505,000 was unsecured.

Save as aforesaid and apart from intra-group liabilities, the Group did not, at the close of the business on 30 September 2025, have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, loans or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptance (other than normal trade payables), acceptance credits, or any guarantees or other material contingent liabilities.

For the purpose of the above indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the applicable rates of exchange prevailing at the close of business on 30 September 2025.

**3. WORKING CAPITAL STATEMENT**

On the basis of completion of the Disposal and settlement of the Consideration, the Directors, after due and careful enquiry and consideration, are of the opinion that the Group will be able to meet its liquidity needs, improve its financial position and will have sufficient working capital to finance its operations and meet its financial requirements for at least the next 12 months from the date of this circular. However, such sufficiency of working capital depends on whether the completion of the Disposal is successfully implemented as scheduled, should the Disposal not proceed, the sufficiency of the Group's working capital to satisfy its present requirements for at least the next 12 months from the date of this circular would depend on the successful refinancing of a loan from a fellow subsidiary with the principal amount of US\$20,000,000 (equivalent to approximately HK\$156,000,000) as at 30 September 2025, which will mature in November 2026. If the Group is unable to complete the Disposal or refinancing of the loan from a fellow subsidiary before maturity, the Group may not have sufficient working capital to satisfy its requirements within the next 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up, and up to the Latest Practicable Date.

**5. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP**

The Group acknowledges the ongoing challenges in the global wood sector, alongside the Group's financial constraints and pressures impacting our operations. For detailed discussion of the financial and trading prospects of the Remaining Group following the Disposal, please refer to the section headed "Reasons for and benefits of the Disposal and use of proceeds" in this circular.

*Set out below is the management discussion and analysis on the results of operations and financial conditions of the Remaining Group for the years ended 31 December 2022, 2023 and 2024 and six months ended 30 June 2025. The financial data in respect of the Remaining Group, for the purpose of this circular, is derived from the consolidated financial statements of the Company for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025.*

**Business and financial review**

Upon completion of the Disposal, the Remaining Group will continue to carry out its existing business in NZ and there will be no change to the principal business of the Remaining Group in NZ, except for the discontinued operation of Suriname division.

***Discontinued operation – Suriname division***

The Suriname division recorded losses for each of the years ended 31 December 2022, 2023 and 2024, and consequently suffered a significant decline in asset value over the years, despite continuous management efforts to improve its operations. To improve the financial sustainability and enable the management to focus resources on the business in the Remaining Group, the Remaining Group disposed of the majority of its loss-making subsidiaries in Suriname during the six months ended 30 June 2025 and subsequently ceased operations in Suriname. The aforementioned disposal was made to an independent third party and the proceeds were insignificant. The Remaining Group's Suriname operations are treated as discontinued operations. During each of the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, losses from the discontinued operations were HK\$45,728,000, HK\$83,535,000, HK\$73,803,000 and HK\$90,223,000, respectively.

***Continuing operations***

- Revenue

For the year ended 31 December 2022, revenue of the Remaining Group from continuing operations (i.e. NZ division) decreased by 42.0% to HK\$116,076,000. The decline was mainly due to weaker demand for the NZ radiata pine, driven by a slowdown in China's property market. In response to a lower log price, the Group reduced harvesting activities to preserve the wood reserve in anticipation of a market recovery. As a result, the sales volume decreased by 29.2%, while the average export selling price on a free-on-board basis reduced by 19.4%. Revenue from forest management services increased by 20.1% due to expansion of third party forest management.

For the year ended 31 December 2023, revenue of the Remaining Group from NZ division decreased by 58.9% to HK\$47,680,000. The reduction was mainly attributable to the completion of harvesting activities under certain forest cutting rights in Gisborne region, NZ. Sales volume decreased by 60.2%, while the average export selling price on a free-on-board basis increased by 6.9%. Revenue from forest management services slightly decreased by 7.0%.

For the year ended 31 December 2024, revenue of the Remaining Group from NZ division reduced by 17.7% to HK\$39,220,000, reflecting continued weak demand from China amid persistent weakness in the property market. Both sales volume and the average export selling price on free-on-board basis decreased by 16.8% and 14.0%, respectively. Revenue from forest management services increased slightly by 6.0%.

For the six months ended 30 June 2025, revenue of the Remaining Group increased by 10.3% to HK\$20,632,000, compared to the six months ended 30 June 2024. Sales volume increased by 12.8% as the logs originally scheduled for December 2024 were postponed to January 2025 due to the vessel scheduling. The average export selling price on free-on-board basis increased by 2.6% compared to the same period in 2024. Revenue from forest management services decreased by 15.6% during the six months ended 30 June 2025 due to lower harvesting activities in third party forests managed by the Group.

- Gross (loss) profit

For the year ended 31 December 2022, the Remaining Group recorded a gross loss from NZ division of HK\$4,429,000, representing a gross loss margin of 3.8%. The gross loss was primarily due to a decline in the average export selling price on free-on-board basis compared with 2021.

For the year ended 31 December 2023, the Remaining Group recorded a gross profit from NZ division of HK\$3,847,000, representing a gross profit margin of 8.1%. The improvement was mainly attributable to an increase in the average export selling price on a free-on-board basis.

For the year ended 31 December 2024, the Remaining Group recorded a gross profit from NZ division of HK\$4,477,000, representing a gross profit margin of 11.4%. The improvement was due to a lower direct operating costs, benefiting from the depreciation of the NZD in 2024.

For the six months ended 30 June 2025, the Remaining Group recorded a gross profit from NZ division of HK\$1,933,000 (six months ended 30 June 2024: HK\$844,000), representing a gross profit margin of 9.4% (six months ended 30 June 2024: 4.5%). The improvement reflected lower direct operating costs from further depreciation of the NZD during the six months ended 30 June 2025.

- Loss for the year/period from continuing operations

For the year ended 31 December 2022, the Remaining Group recorded a loss for the year from continuing operations of HK\$49,348,000. This was derived from a gross loss of HK\$4,429,000, together with other operating expenses, such as selling expenses, administrative expenses, finance cost and income tax credit of HK\$59,025,000. The results also reflected (i) a fair value loss on plantation forest assets of HK\$10,729,000, offset by (ii) a reversal of provision for impairment on an earnest money of HK\$24,835,000 recovered in 2022.

For the year ended 31 December 2023, the Remaining Group recorded a loss for the year from continuing operations of HK\$49,852,000. This was derived from a gross profit of HK\$3,847,000, a fair value loss on plantation forest assets of HK\$8,530,000 together with other operating expenses, such as selling expenses, administrative expenses, finance cost and income tax credit of HK\$45,169,000. The decrease in loss was mainly due to (i) a decrease in the fair value loss on plantation forest assets in NZ, and (ii) the reduction in administrative expenses due to the decrease in the depreciation of property, plant and equipment caused the completion of harvesting activities of some forests in Gisborne region of NZ.

For the year ended 31 December 2024, the Remaining Group recorded a loss for the year from continuing operation of HK\$50,764,000. The results were consisted of a gross profit of HK\$4,477,000, a fair value loss on plantation forest assets of HK\$22,832,000 together with other operating expenses, such as selling expenses, administrative expenses, finance cost and income tax credit of HK\$32,409,000. The increase in loss was mainly due to (i) the increase in the fair value loss on plantation forest assets caused by unfavourable market conditions and higher operating costs, driven by high inflation rate and high fuel costs, offset by (ii) the reduction in administrative expenses due to the decrease in the depreciation of property, plant and equipment caused the completion of harvesting activities of some forests in Gisborne region of NZ.

For the six months ended 30 June 2025, the Remaining Group recorded a loss for the period from continuing operations of HK\$18,291,000 (six months ended 30 June 2024: HK\$30,993,000). This was derived from a gross profit of HK\$1,933,000, a fair value gain on plantation forest assets of HK\$3,604,000 together with other operating expenses, such as selling expenses, administrative expenses, finance cost and income tax expense of HK\$23,828,000. The improvement was primarily caused by a fair value gain on plantation forest assets in NZ during the six months ended 30 June 2025.

### **Liquidity and financial resources and capital structure**

As at 31 December 2022, the Remaining Group's current assets and current liabilities were HK\$139,173,000 and HK\$61,617,000, respectively and amongst which, HK\$71,681,000 were bank balances and cash. The Remaining Group's outstanding borrowings as at 31 December 2022 represented the loans from immediate holding company amounting to HK\$194,386,000, loans from a fellow subsidiary amounting to HK\$163,236,000 and lease liabilities of HK\$17,931,000.

As at 31 December 2023, the Remaining Group's current assets and current liabilities were HK\$93,145,000 and HK\$51,886,000, respectively and among which, HK\$47,714,000 were bank balances and cash. The Remaining Group's outstanding borrowings as at 31 December 2023 represented the loans from immediate holding company amounting to HK\$202,512,000, loans from a fellow subsidiary amounting to HK\$166,948,000 and lease liabilities of HK\$14,068,000.

As at 31 December 2024, the Remaining Group's current assets and current liabilities were HK\$44,928,000 and HK\$37,495,000, respectively and among which, HK\$19,508,000 were bank balances and cash. The Remaining Group's outstanding borrowings as at 31 December 2024 represented the loans from immediate holding company amounting to HK\$210,667,000, loans from a fellow subsidiary amounting to HK\$191,863,000 and lease liabilities of HK\$13,869,000.

As at 30 June 2025, the Remaining Group's current assets and current liabilities were HK\$41,014,000 and HK\$20,679,000, respectively and among which, HK\$22,159,000 were bank balances and cash. The Remaining Group's outstanding borrowings as at 30 June 2025 represented the loans from immediate holding company amounting to HK\$214,339,000, loans from a fellow subsidiary amounting to HK\$211,115,000 and lease liabilities of HK\$14,378,000.

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Remaining Group did not have any bank borrowings.

As at 31 December 2022, 2023, 2024 and 30 June 2025, there were 1,854,991,056 Shares in issue.

### **Gearing ratio**

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Remaining Group's gearing ratio, which was calculated on the basis of outstanding borrowings as a percentage of equity attributable to owners of the Company, was 40.3%, 45.3%, 56.5% and 73.0%, respectively.

### **Funding and treasury policies**

The Remaining 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 Remaining Group's liquidity and financing requirements are reviewed regularly.

Most of the Remaining Group's sales are denominated in United States dollars, to which the Hong Kong dollars are pegged. The majority of the Remaining 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 NZ plantation forest assets, the forest management fee income from the NZ division are denominated in NZD, which helps to partly offset the Remaining Group's operating expenses payable in NZD. During each of the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, the Remaining Group did not use any financial instruments for hedging purposes and the Remaining Group did not have any hedging instruments outstanding as at 31 December 2022, 2023, 2024 and 30 June 2025. However, the Remaining Group will continue to closely monitor all possible exchange risk arising from the Remaining Group's existing operations and new investments and will implement the necessary hedging arrangement(s) to mitigate any significant foreign exchange exposure.

### **Material acquisitions and disposals**

During each of the years ended 31 December 2022, 2023 and 2024, the Remaining Group had no material business acquisitions or disposals.

During the six months ended 30 June 2025, save for the disposals stated below, the Remaining Group had no other material business acquisitions or disposals.



***Suriname disposal***

On 28 March 2025, the Group entered into a master sales and purchase agreement (the “**Suriname Disposal SPA**”) 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**”). The Group recorded a disposal gain of HK\$1,458,000 from 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.

As none of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Suriname Disposal SPA exceeds 5%, and that it was conducted with an Independent Third Party, the Suriname Disposal did not constitute a notifiable transaction and was not a connected transaction of the Company under Chapter 14 and 14A of the Listing Rules, respectively. For further details, please refer to the interim report of the Company for the six months ended 30 June 2025.

**Significant investments held**

During each of the years ended 31 December 2022, 2023 and 2024 and six months ended 30 June 2025, the Remaining Group had no significant investments.

**Employee information and emolument policy**

As at 31 December 2022, 2023, 2024 and 30 June 2025, the total number of employees of the Group was 152, 143, 125 and 19, respectively. During each of the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, the employment costs (including Directors’ emoluments) amounted to approximately HK\$33,361,000, HK\$34,547,000, HK\$30,660,000 and HK\$10,756,000, respectively. 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.

**Charge on assets**

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Remaining Group did not have any charge on assets.

**Contingent liabilities**

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Remaining Group did not have any significant contingent liabilities.

**Capital commitments**

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Remaining Group did not have any significant capital commitments.

**Future plans for material investments or capital assets**

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Remaining Group did not have any material investments.

In connection with the Remaining Group's future plans for material investments or capital assets going forward, please refer to the information as set out in the section headed "Reasons for and benefits of the Disposal and use of proceeds" in this circular.

**A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**

The following is the unaudited pro forma financial information of the Remaining Group, comprising the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated net assets statement of the Remaining Group (the “**Unaudited Pro Forma Financial Information**”), which is prepared to illustrate the effect of the Disposal on the Group’s financial position as at 30 June 2025; as if the Disposal had taken place on 30 June 2025, and on the Remaining Group’s financial performance for the year ended 31 December 2024, as if the Disposal had taken place on 1 January 2024.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group is prepared based on the audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2024, which has been extracted from the audited consolidated financial statements included in the published annual report of the Company for the year ended 31 December 2024 after making certain pro forma adjustments resulting from the Disposal.

The unaudited pro forma consolidated net assets statement of the Remaining Group is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2025, which has been extracted from the unaudited condensed consolidated interim financial statements included in the published interim report of the Company for the six months ended 30 June 2025 after making certain pro forma adjustments resulting from the Disposal.

The Unaudited Pro Forma Financial Information is prepared based on the aforesaid historical data after giving effect to the pro forma adjustments described below in the accompanying notes that are (i) directly attributable to the Disposal, and (ii) factually supportable.

The Unaudited Pro Forma Financial Information is prepared by the Directors based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the Unaudited Pro Forma Financial Information, it may not give a true picture of the actual financial position and results of operation of the Remaining Group had the Disposal actually occurred on the dates indicated herein. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Remaining Group’s future financial position and results of operation.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in Appendix I to this circular and other financial information included elsewhere in this circular.

# APPENDIX III

# UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

## I. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE REMAINING GROUP

	The Group for the year ended 31 December 2024	Pro forma adjustments				Unaudited pro forma total for the Remaining Group for the year ended 31 December 2024
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000	
Revenue	51,872	–	–	–	51,872	
Cost of sales and services	(110,484)	–	–	–	(110,484)	
Gross loss	(58,612)	–	–	–	(58,612)	
Other income	1,979	(2)	–	–	1,977	
Other gains and losses	2,831	–	–	69,053	71,884	
Impairment losses reversed on financial assets, net	8	(1)	–	–	7	
Fair value loss on plantation forest assets	(65,847)	43,015	–	–	(22,832)	
Share of loss of an associate	(43)	–	–	–	(43)	
Selling and distribution costs	(9,357)	–	–	–	(9,357)	
Administrative expenses	(38,648)	9,832	(34,547)	–	(63,363)	
Finance costs	(24,634)	1,830	–	–	(22,804)	
<b>Loss before tax</b>	(192,323)	54,674	(34,547)	69,053	(103,143)	
Income tax credit	19,074	(5,992)	–	–	13,082	
<b>Loss for the year</b>	(173,249)	48,682	(34,547)	69,053	(90,061)	
<b>Other comprehensive expense</b>						
<i>Item that will not be reclassified to profit or loss</i>						
Revaluation loss on forestry land	(3,575)	3,575	–	–	–	
<i>Item that may be reclassified subsequently to profit or loss</i>						
Exchange difference arising on translation of foreign operations	(20,012)	18,235	–	–	(1,777)	

# APPENDIX III

# UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

	The Group for the year ended 31 December 2024				Unaudited pro forma total for the Remaining Group for the year ended 31 December 2024
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000
	Pro forma adjustments				
Other comprehensive expense for the year	(23,587)	21,810	–	–	(1,777)
Total comprehensive expense for the year	<u>(196,836)</u>	<u>70,492</u>	<u>(34,547)</u>	<u>69,053</u>	<u>(91,838)</u>
Loss for the year attributable to:					
Owners of the company	(139,238)	48,682	(34,547)	69,053	(56,050)
Non-controlling interests	<u>(34,011)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(34,011)</u>
	<u>(173,249)</u>	<u>48,682</u>	<u>(34,547)</u>	<u>69,053</u>	<u>(90,061)</u>
Total comprehensive expense for the year attributable to:					
Owners of the company	(162,825)	70,492	(34,547)	69,053	(57,827)
Non-controlling interests	<u>(34,011)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(34,011)</u>
	<u>(196,836)</u>	<u>70,492</u>	<u>(34,547)</u>	<u>69,053</u>	<u>(91,838)</u>

*Notes:*

1. The amounts are extracted from the audited consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024 as set out in the published annual report of the Company for the year ended 31 December 2024.
2. The adjustment represents the exclusion of the financial performance attributable to the Sale Assets for the year ended 31 December 2024, which are extracted from the unaudited profit and loss statements on the identifiable net income stream of the Sale Assets as set out in Appendix IV to this circular, assuming the Disposal had taken place on 1 January 2024.
3. The adjustment represents the recognition of the estimated transaction costs of approximately HK\$34,547,000, including but not limited to sales agent commission, legal fees and other expenses, which are directly attributable to the Disposal as estimated by the Directors.
4. The adjustment reflects the gain on the disposal of the Sale Assets, assuming the Disposal had taken place on 1 January 2024, excluding the estimated transaction costs directly attributable to the Disposal.

	<i>HK\$'000</i>	<i>HK\$'000</i>
Calculation of pro forma gain on the Disposal:		
Cash consideration		615,520
Less: carrying amount of the Sale Assets as at 1 January 2024		
Plantation forest assets	(293,265)	
Forestry land	(152,744)	
Roadings	(100,458)	
	<u>                    </u>	<u>(546,467)</u>
Pro forma gain on Disposal		<u><u>69,053</u></u>

5. The pro forma adjustments 2, 3 and 4 are not expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group.
6. Except for the Disposal, no other adjustment has been made to the unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group to reflect any trading results or other transactions of the Group entered into subsequent to 1 January 2025.

## APPENDIX III

## UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

### II. UNAUDITED PRO FORMA CONSOLIDATED NET ASSETS STATEMENT OF THE REMAINING GROUP

	The Group as at 30 June 2025		Pro forma adjustments			Unaudited pro forma total for the Remaining Group as at 30 June 2025
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000
<b>Non-current assets</b>						
Property, plant and equipment	251,488	(247,644)	-	-	-	3,844
Right-of-use assets	12,963	-	-	-	-	12,963
Goodwill	5,651	-	-	-	-	5,651
Plantation forest assets	318,060	(277,148)	-	-	-	40,912
Prepayments, deposits and other assets	336	-	-	-	-	336
Interest in an associate	1,438	-	-	-	-	1,438
	<u>589,936</u>	<u>(524,792)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,144</u>
<b>Current assets</b>						
Inventories	1,590	-	-	-	-	1,590
Trade receivables	9,471	-	-	-	-	9,471
Prepayments, deposits and other assets	4,793	-	-	-	-	4,793
Amount due from a fellow subsidiary	380	-	-	-	-	380
Tax recoverable	244	-	-	-	-	244
Pledged bank deposit	2,377	-	-	-	(2,377)	-
Bank balances and cash	22,159	-	615,520	(34,547)	(21,397)	581,735
	<u>41,014</u>	<u>-</u>	<u>615,520</u>	<u>(34,547)</u>	<u>(23,774)</u>	<u>598,213</u>
<b>Current liabilities</b>						
Trade payables	12,114	-	-	-	-	12,114
Other payables and accruals	6,454	-	-	-	-	6,454
Lease liabilities	2,111	-	-	-	-	2,111
Bank borrowing	23,774	-	-	-	(23,774)	-
	<u>44,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,774)</u>	<u>20,679</u>
<b>Net current (liabilities) assets</b>	<u>(3,439)</u>	<u>-</u>	<u>615,520</u>	<u>(34,547)</u>	<u>-</u>	<u>577,534</u>
<b>Total assets less current liabilities</b>	<u>586,497</u>	<u>(524,792)</u>	<u>615,520</u>	<u>(34,547)</u>	<u>-</u>	<u>642,678</u>
<b>Non-current liabilities</b>						
Lease liabilities	12,267	-	-	-	-	12,267
Loans from immediate holding company	214,339	-	-	-	-	214,339
Loans from a fellow subsidiary	211,115	-	-	-	-	211,115
Deferred tax liabilities	49,254	(43,861)	-	-	-	5,393
	<u>486,975</u>	<u>(43,861)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>443,114</u>
<b>Net assets</b>	<u>99,522</u>	<u>(480,931)</u>	<u>615,520</u>	<u>(34,547)</u>	<u>-</u>	<u>199,564</u>

*Notes:*

1. The amounts are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2025 as set out in the published interim report of the Company for the six months ended 30 June 2025.
2. The adjustment represents the exclusion of the carrying value of the Sale Assets as at 30 June 2025, assuming the Disposal had taken place on 30 June 2025.
3. The adjustment reflects the cash consideration received upon completion of the Disposal amounting to NZ\$134,150,000 (equivalent to approximately HK\$615,520,000 using the exchange rate of NZ\$1.00 = HK\$4.5883), assuming the Disposal was completed on 30 June 2025.
4. The adjustment represents the estimated transaction costs of approximately HK\$34,547,000, including but not limited to sales agent commission, legal fees and other expenses, which are directly attributable to the Disposal and are assumed to be settled in cash as at 30 June 2025 as estimated by the Directors.
5. The adjustment represents the exclusion of the carrying value of the bank borrowing of approximately HK\$23,774,000 that is pledged or secured by the Sale Assets as at 30 June 2025, assuming the Disposal had taken place on 30 June 2025 and the bank borrowing had been repaid accordingly.
6. Except for the Disposal, no other adjustment has been made to the unaudited pro forma consolidated net assets statement of the Remaining Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2025.



**B. ACCOUNTANTS' REPORT ON PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a report, prepared for the purpose of incorporation in this circular, received from Deloitte Touche Tohmatsu, Certified Public Accountants, in respect of the unaudited pro forma financial information of the Remaining Group.*

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****Deloitte.****德勤****To the Directors of Greenheart Group Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Greenheart Group Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024, unaudited pro forma consolidated net assets statement as at 30 June 2025 and related notes as set out on pages III-1 to III-6 of Appendix III to the circular issued by the Company dated 7 November 2025 (the “**Circular**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages III-1 to III-6 of Appendix III to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed disposal of the Sale Assets (as defined in the Circular) on the Group's financial performance for the year ended 31 December 2024 and the Group's financial position as at 30 June 2025 as if the transaction had taken place at 1 January 2024 and 30 June 2025 respectively. As part of this process, information about the Group's financial performance and financial position has been extracted by the Directors from the Group's audited consolidated financial statements for the year ended 31 December 2024 and the Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025, on which an auditor's report and no review report have been published, respectively.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 1 January 2024 or 30 June 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong

7 November 2025

**A. UNAUDITED PROFIT AND LOSS STATEMENTS ON THE IDENTIFIABLE NET INCOME STREAM OF THE SALE ASSETS**

In accordance with Rule 14.68(2)(b)(i) of the Listing Rules, the unaudited profit and loss statements on the identifiable net income stream of the Sale Assets for each of the years ended 31 December 2022, 2023 and 2024, the six months ended 30 June 2025 and its comparative figures for the six months ended 30 June 2024 (the “**Unaudited Profit and Loss Statements**”) and its basis of preparation are set out below.

The Unaudited Profit and Loss Statements are prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Disposal of the Sale Assets. Deloitte Touche Tohmatsu (the “**Reporting Accountants**”) were engaged to review the Unaudited Profit and Loss Statements in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and with reference to Practice Note 750 “Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal” issued by the Hong Kong Institute of Certified Public Accountants.

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the Reporting Accountants to obtain assurance that the Reporting Accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the Reporting Accountants do not express an audit opinion.

	For the year ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2024	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	16,701	17,520	–	–	–
Cost of sales	(21,674)	(20,053)	–	–	–
Gross loss	(4,973)	(2,533)	–	–	–
Other income	231	111	2	1	113
Impairment losses reversed (recognised)					
on financial assets, net	2	(1)	1	1	–
Fair value gain (loss) on plantation forest assets	7,479	(3,520)	(43,015)	(54,651)	19,123
Selling and distribution costs	(2,374)	(2,431)	–	–	–
Administrative expenses	(7,330)	(9,796)	(9,832)	(5,308)	(4,106)
Finance costs	(1,269)	(1,875)	(1,830)	(694)	(948)
<b>(Loss) profit before tax</b>	<b>(8,234)</b>	<b>(20,045)</b>	<b>(54,674)</b>	<b>(60,651)</b>	<b>14,182</b>
Income tax credit (expense)	5,564	13,758	5,992	12,815	(3,266)
<b>(Loss) profit for the year/period</b>	<b>(2,670)</b>	<b>(6,287)</b>	<b>(48,682)</b>	<b>(47,836)</b>	<b>10,916</b>

**APPENDIX IV****UNAUDITED PROFIT AND LOSS STATEMENTS ON THE IDENTIFIABLE NET INCOME STREAM OF THE SALE ASSETS**

	For the year ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2024	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Other comprehensive income (expense)</b>					
<i>Item that will not be reclassified to profit or loss</i>					
Revaluation gain (loss) on forestry land	13,850	6,352	(3,575)	–	–
<i>Item that may be reclassified subsequently to profit or loss</i>					
Exchange difference arising on translation of foreign operations	(10,514)	(474)	(18,235)	(5,222)	21,830
<b>Other comprehensive income (expense) for the year/period</b>	<u>3,336</u>	<u>5,878</u>	<u>(21,810)</u>	<u>(5,222)</u>	<u>21,830</u>
<b>Total comprehensive income (expense) for the year/period</b>	<u><u>666</u></u>	<u><u>(409)</u></u>	<u><u>(70,492)</u></u>	<u><u>(53,058)</u></u>	<u><u>32,746</u></u>

**Basis of preparation of the Unaudited Profit and Loss Statements**

The Unaudited Profit and Loss Statements have been prepared solely for the purpose of inclusion in the circular to be issued by the Company in connection with the Disposal of the Sale Assets in accordance with Rule 14.68(2)(b)(i) of the Listing Rules and in accordance with the relevant accounting policies adopted by the Company in the preparation of the condensed consolidated interim financial statements for the six months ended 30 June 2025 and the consolidated financial statements of the Group for the year ended 31 December 2024, which conform with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants. The Unaudited Profit and Loss Statements have been prepared under the historical cost convention. The Unaudited Profit and Loss Statements neither contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 (Revised) “Presentation of Financial Statements” nor a set of financial statements as defined in Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants, and that it should be read in connection with the Group’s relevant published annual consolidated financial statements.

**B. VALUATION OF THE SALE ASSETS**

The Valuation Reports are disclosed in Appendices V and VI, respectively, to this circular.

*The following is the text of letter prepared for the purpose of incorporation in this circular received from Indufor Asia Pacific Limited, an independent valuer, in connection with their valuation as 31 August 2025 in respect of the tree crops of the Sale Assets.*

Indufor Asia Pacific Limited  
Level 7, 55 Shortland Street  
Auckland City 1143  
New Zealand

4 November 2025

**Greenheart Group**

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

Dear Sir/Madam,

**Re. Market value of Greenheart's Mangakahia and Ormond Valley forest estates**

On instruction from Greenheart Group ("**Greenheart**"), Indufor Asia Pacific Limited (Indufor) has prepared this report which is an extended summary of Indufor's opinion as to the market value of the Mangakahia forest estate located in Northland, New Zealand and Ormond Valley forest estate located in East Coast, New Zealand. These estates include the assets owned by Greenheart MFV Limited, Greenheart Mangakahia Forest Land Limited, Greenheart Mangakahia Forest Māori Land Limited and Greenheart Papakorakora Forest NZ Limited. The forest value applies at 31 August 2025, assuming a discount rate of 7.00% applied to real NZD, pre-tax, perpetual cash flows.

**Purpose of the valuation**

Indufor is advised by Greenheart that it intends to include this summary report within a circular to be disclosed to The Stock Exchange of Hong Kong within the next three months.

## Valuation and Financial Reporting Standards

The valuation is prepared in accordance with the Valuation Standards of the New Zealand Institute of Forestry (NZIF valuation standards), and in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP). Indufor also acknowledges the reporting requirements of the International Financial Reporting Standard 13 – Fair Value Measurement (IFRS 13) by recognition of the hierarchy of valuation inputs, and the New Zealand edition of International Accounting Standard 41 – Agriculture (NZ IAS 41) by distinguishing the value of the current tree crop from the value of the estate under a perpetual regime<sup>1</sup>.

### Basis of valuation

Indufor has used an **income approach** established on projected cashflows, and selected a discount rate based on transaction evidence. The tree crop is valued by Indufor as a whole reflecting the likely basis for a market transaction. Indufor has included a notional rental in the tree crop cash flow projections to account for its occupation of the land. The Company has engaged Arotahi for the valuation of the underlying freehold forest land value.

A **cost-of-replacement approach** (or asset-based approach) was not adopted.

A **comparable sales approach** (or market approach) was not considered in terms of ‘dollar per hectare’ value, however the discount rates implied by recent market transactions were considered closely.

The income approach adopted by Indufor defines projected cash flows that relate to the characteristics of the subject estate, and then estimates the net present value of the estate under a DCF framework. The applied discount rate is established from market evidence.

### Cash flow projections

In accordance with IFRS 13, the inputs to the cash flow projections are defined as hierarchy 2 and 3 inputs. Indufor has prepared the projected cash flows to represent management systems applicable to the subject radiata pine tree crops. The silvicultural management regimes for radiata pine plantations – which define the timing and purpose of management activities – are based on decades of industry research and experience, and have been well documented. Management costs are estimated from a combination of sources including Greenheart’s historical cost records and budgets, Indufor’s own database of observations across New Zealand’s forest estates in the conduct of appraisals and transaction due diligence assignments, and cost estimates reported in credible publications.

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<sup>1</sup> Indufor’s valuers have observed over the past 30 years or more that forestry and timberland investors – when considering investments into similar plantation estates in New Zealand and Australia – will estimate market value on a ‘perpetual’ basis (i.e., based on the intention to use the land continuously for forestry by regenerating the tree crops after harvest). IFRS 13 requires – amongst other things – that in arriving at an appropriate measure of market value, an entity must identify the assumptions that market participants would use when pricing the asset or liability. While Indufor has thus applied an approach by which investors are commonly assessing market value of such forestry estates, this approach is not in perfect accord with the financial reporting requirements of IAS41 which requires reporting of the value of the existing (or current) tree crop only. Consequently, Indufor prepares a market value based on a perpetual management regime but then distinguishes the value attribution between current and future tree crops by recognition of the discount rate required to achieve the same value.

### Opinion of value

Applying an income approach to the current and future tree crops, Indufor's opinion of market value for the Mangakahia forest estate and Ormond Valley forest estate, as of 31 August 2025, is **NZD79.099 million and NZD2.994 million**, respectively, taking into consideration the market value of the future rotations.

Table 1 reports the estimated value of the tree crop and land components and the estimated total market value for both forest estates.

**Table 1: Market value as of 31 August 2025**

Value component	Market value	
	Mangakahia forest	Ormond Valley forest
	NZD million	NZD million
Tree crop	50.019	2.449
Land <sup>2</sup>	29.080	0.545
<b>Total value at 31 August 2025</b>	<b>79.099</b>	<b>2.994</b>

For the illustrative purposes, table 2 reports the value attributed to the current tree crop and the future tree crop.

**Table 2: Value apportionment as of 31 August 2025**

Value component	Mangakahia forest		Ormond Valley forest	
	Forest value		Forest value	
	Discount rate	(NZD million)	Discount rate	(NZD million)
Current Crop	7.00%	56.818	7.00%	2.465
Future Rotations	7.00%	(6.799)	7.00%	(0.016)
Land		29.080		0.545
<b>Total</b>		<b>79.099</b>		<b>2.994</b>

<sup>2</sup> Freehold land value was appraised independently by Arotahi, as of 31 August 2025. Details of its valuation report is set out in Appendix VI to this circular.



NZ IAS41-Agriculture stipulates that “A biological asset shall be measured on initial recognition and at each balance date at its fair value less estimated point-of-sale costs”. As a forest valuer Indufor has professional expertise in assessing the forest’s fair value but not the point-of-sale costs. We have observed that a figure of 0.5% of the forest value has found some wider application though it is acknowledged there is no empirical data to support this estimate. Under this assumption, Indufor estimates the point-of-sale costs for Mangakahia forest estate at NZD0.250 million and Ormond Valley forest estate at NZD0.015 million.

The total value of the subject property is based on the appraisers unbiased professional analyses, opinions, and conclusions, which is limited only by the reported assumptions, limiting conditions, and pertinent facts about the market and the subject property.

This value attributed to the estate would be consistent with an exposure period of twelve months.

Sincerely,

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**SUMMARY OF THE VALUATION METHOD AND THE PRINCIPAL ASSUMPTIONS  
ADOPTED IN THE INDUFOR VALUATION REPORT**

**BASIS OF USING THE INCOME APPROACH FOR VALUATION**

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

Indufor considered the application of the tree principal valuation approaches, namely asset-base approach, market approach, and income approach as described below.

**Asset-based Approach**

This approach was considered not suitable for the tree crops of the Sale Assets, having regard to:

- (i) valuation processes commonly applied when valuing tree crops with a mix of immature, mid-rotation, and mature age classes;
- (ii) a potential buyer of the asset is likely to be considering the future earnings potential under a scenario where it manages the tree crop through to maturity and then regenerates the tree crop after harvesting; and
- (iii) the asset-based approach does not capture the potential future revenues available to a purchaser.

### **Market Approach**

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

- (i) scale of the estate (larger forest estates are rarer and might attract more competitive bidding from a wider pool of investors);
- (ii) terrain characteristics (estates with flatter terrain tend to incur lower operational costs);
- (iii) age class structure (a relatively even age class profile is desirable for consistent and efficient forest management and log production);
- (iv) transport distance to markets (transport of logs to mills and ports is a significant operational cost; log transport costs are reduced if the estate is close to its markets); and
- (v) edaphic factors (there may be different tree growth potential between estates due to soil types, rainfall patterns, and temperature; hence estates with edaphic conditions that allow trees to grow faster – as captured in the yield projections – are generally favourable to valuation).

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

### **Income Approach**

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

**SCOPE OF WORK AND TREE CROPS**

The valuation under the Indufor Valuation Report consists of assets in two locations, being (i) 9,840 hectares of productive tree crops, which is established on 12,653 hectares of freehold lands (the “**Mangakahia Estate**”) and (ii) 73.4 hectares of productive tree crops, which is established on 81.0 hectares of freehold lands (the “**Ormond Valley Estate**”). The said assets consist of eight properties which are located in the Northland region of NZ and one property located in East Coast region of NZ (the “**Tree Crops**”). Indufor is commissioned to estimate the market value of the Tree Crops, and inclusive of freehold land value appraised independently by Arotahi Agribusiness Limited, as at 31 August 2025. Indufor refers to a commonly cited definition for market value published by Uniform Standards of Professional Appraisal Practice, which is extracted below:

*“Market value means the most probable price which a property should bring in a competitive and open market under all condition’s requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*

- (i) buyer and seller are typically motivated;*
- (ii) both parties are well informed or well advised and acting in what they consider their own best interests;*
- (iii) a reasonable time is allowed for exposure in the open market;*
- (iv) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto;*
- (v) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale; and*
- (vi) the tree crop is valued by Indufor as a whole reflecting the likely basis for a market transaction.”*

The Tree Crop are valued by Indufor as a whole reflecting the likely basis for a market transaction. An opinion of the freehold forest land value is provided by Arotahi, details of which is set out in Appendix VI to this circular. Indufor has included a notional rental in the tree crop cash flow projections to account for its occupation of the land.

### Characteristics of the Tree Crops

Key characteristics of the Tree Crops at Mangakahia Estate are as follows:

- (i) radiata pine is the sole commercial species;
- (ii) the Tree Crops at Mangakahia Estate are on freehold lands. The land titles were most recently valued by Arotahi as at 31 August 2025 with a gross land title areas of approximately 12,790 hectares;
- (iii) Indufor estimates the productive stocked area to be 9,840 hectares as of 31 August 2025 with a further 0.6 hectares of fallow land awaiting regeneration;

The table below summarises the assessed net stocked area and the potentially productive area of the Tree Crops at Mangakahia Estate:

	Weighted average age years	Net stocked area hectares	Area awaiting regeneration hectares	Gaps hectares	Potentially productive area hectares
Area 1	10.0	399.7	–	–	399.7
Area 2	4.2	417.0	–	–	417.0
Area 3	6.6	1,294.4	–	–	1,294.4
Area 4	10.9	5,300.9	–	3.0	5,303.9
Area 5	9.5	295.7	–	2.6	298.3
Area 6	6.4	451.8	–	–	451.8
Area 7	7.5	1,096.4	0.6	2.3	1,099.3
Area 8	9.1	583.9	–	–	583.9
<b>Total Area (as at 31 August 2025)</b>	<b>9.3</b>	<b>9,839.7</b>	<b>0.6</b>	<b>7.9</b>	<b>9,848.2</b>

- (iv) 99% of the plantations are currently managed, or intended to be managed, under a framing regime. This involves a thinning treatment at eight to nine years old when the trees are 12 to 16 metres tall;
- (v) the Group's stockbook records show that 4,257 hectares of plantations have been treated by silvicultural thinning, covering most of the stands currently aged nine years old or more. Around 4,600 hectares of younger unthinned stands, currently aged one to nine years old, are expected to be treated in future years. An estimated expense for silvicultural thinning is included in the valuation cash flow projections;
- (vi) tree crop age is skewed to younger age classes (i.e. most of the plantations are less than 15 years old). The oldest stands will be ready for harvesting after four more years of growth (i.e. 2029 onwards); and
- (vii) most (99%) of the Tree Crops at Mangakahia Estate are second rotation, consequently haulage roads and other infrastructure have been constructed. Future roading costs will mainly relate to repair and maintenance of the existing infrastructure.

Key characteristics of the Tree Crops at Ormond Valley Estate are as follows:

- (i) radiata pine is the sole commercial species;
- (ii) the Tree Crops at the Ormond Valley Estate is on freehold lands. The land titles were most recently valued by Arotahi as at 31 August 2025 with a gross land title areas of 81 hectares;
- (iii) Indufor estimates the productive stocked area to be 73.4 hectares as of 31 August 2025;

	Weighted average age years	Net stocked area hectares	Area awaiting regeneration hectares	Gaps hectares	Potentially productive area hectares
Total Area (as at 31 August 2025)	26	73.4	–	–	73.4
(iv) the age of the Tree Crops at the Ormond Valley Estate is now 26 years old. The trees are ready to harvest for export markets, though NZ domestic markets prefer the improved density of radiata pine wood when it is at least 28 years old;					
(v) the Group’s stockbook records shows that 73.4 hectares of the plantation has been high pruned and thinned. Records indicate the final crop stocking density is 360 to 373 stems per hectare (“sph”) and all trees were pruned to 6.4 metres stem height; and					
(vi) the plantation is first rotation, consequently haulage roads and other infrastructure have not yet been constructed. Before the plantation can be harvested, internal plantation roads must be constructed to support the weight and length of log trucks. Road construction costs are significant. Roading costs assumed for future rotations are lower, on the basis that the roads will require repair and maintenance, not reconstruction.					

## VALUATION ASSUMPTIONS AND PARAMETERS

### General assumptions

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

- (i) there will be no significant change in the relevant laws, regulations, or policies in NZ, no significant change in the economic conditions of NZ and no material hazardous issues associated with the tree crops;
- (ii) the existing business approach and intention in managing the tree crops remain consistent with those currently adopted by the Company;
- (iii) the operators will remain in full compliance with all relevant laws and regulations;

- (iv) there are no force majeure or other unforeseeable factors that may give rise to material adverse impact on the tree crops; and
- (v) true and complete information has been provided. The Company has supplied relevant information regarding the tree crops and their operating conditions for the purpose of the valuation.

### **Specific assumption and parameters**

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

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

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

- (i) the projected cash flows are those arising from both current and future tree crops, with the details set forth in Table 2 above for the value of the current tree crops and future tree crops respectively. For the current tree crops, no account was taken of revenues or costs from re-establishment of following harvest, or of land not yet planted;
- (ii) the projected cash flows do not take into account income tax and finance costs; and
- (iii) the projected cash flows have been prepared in real terms and have not therefore included inflationary effects.

The property manager has provided to Indufor reasonable and transparent information relating to the Tree Crops, including a current forest description, cost information, log sales records, and yield reconciliations. The currency of the valuation is in New Zealand dollars.

### **VALUATION**

The table below reports the component values, including the freehold land value which is the independent opinion of Arotahi.

**Market value as of 31 August 2025**

Value component	Market value	
	Mangakahia Estate	Ormond Valley Estate
	NZD million	NZD million
Tree Crops	50.019	2.449
Land <sup>Note</sup>	29.080	0.545
<b>Total value at 31 August 2025</b>	<b>79.099</b>	<b>2.994</b>

*Note: Mangakahia Estate and Ormond Valley Estate market values are inclusive of land value of NZD 29.080 million and NZD 0.545 million. The valuations of freehold land were prepared independently by Arotahi as at 31 August 2025.*

The financial reporting standard NZ IAS 41-Agriculture stipulates that “a biological asset shall be measured on initial recognition and at each balance date at its fair value less estimated point-of-sale costs.” Indufor has professional expertise in assessing the forest’s fair value but not the estimation of point-of-sale costs. Indufor have observed that a figure of 0.5% of the forest value has found some wider application though it is acknowledged there is no empirical data to support this estimate. Under this assumption, Indufor estimates the point-of-sale costs for the Tree Crops as follows:

**Estimated point of sale costs**

Value component	NZD million
<b>Tree Crops</b>	
Mangakahia Estate	0.250
Ormond Valley Estate	0.015

The estimated cost has not been deducted from the total value reported above. The estimated amount is indicative.

**Key inputs and analyses**

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

*Forecast unit log price at wharf gate (AWG)*

Forecast log prices “at wharf gate” (“**AWG**”) and “at mill gate” (“**AMG**”) price points adopted in the valuation model were estimated by Indufor based on the published average prices for the three-month period from June to August 2025 published. Current log prices remain below the long-term trend, and despite expected short-term volatility, price levels are forecast to be relatively stagnant in the near term. Consequently, Indufor has assumed that log prices will remain flat in real terms for the period until mid-2026, and subsequently improve incrementally back to long-term trend levels from mid-2026 to mid-2029. From mid-2029 onwards, log prices are assumed to be flat in real terms.



The table below sets out the forecast log prices applied to valuation cash flows for the Mangakahia Estate, which vary by log grade and may also vary by market destination.

Destination	Log grade	FY26	FY27	FY28 NZD/m <sup>3</sup>	FY29	FY30+
Destination A	P40/42	181	184	187	191	191
	P30/34	151	153	156	159	159
	A40, S40	126	131	135	140	140
	A30, V30	115	123	132	140	140
	K, V20, M20	100	109	118	127	127
	KI	90	101	111	121	121
	KIS	76	86	95	105	105
Destination B	A30, V30	119	124	130	135	135
	P30/34	169	173	177	182	182
Destination C	P30/34	169	173	177	182	182
	P40/42	176	185	194	204	204
	A40	129	134	138	143	143
	K	119	122	125	128	128
Destination D	V30	118	124	130	136	136
Destination E	Pulp	57	58	59	60	60
Destination F	P40/42	176	185	194	204	204
	P30/34	169	171	173	175	175
Destination G	A30, V30	118	124	130	136	136
Destination H	KI	110	114	118	122	122
Destination I	KI	111	115	119	123	123

The table below sets out the forecast log prices applied to valuation cash flows for the Ormond Valley Estate, which vary by log grade.

Grade	Starting Price <sup>1</sup>	FY26 <sup>2</sup>	FY27 <sup>3</sup>	FY28 <sup>3</sup>	FY29 <sup>3</sup>	FY30+ <sup>4</sup>
				NZD/m <sup>3</sup> AWG		
Pruned	188	188	191	193	196	196
A	117	117	124	131	138	138
K	103	103	110	117	124	124
KI	95	95	102	109	117	117
KIS	80	80	89	99	108	108
S30	129	129	130	131	132	132

Note 1: 'Starting' price is the average export price for June to August 2025, converted from NZD/JAS m<sup>3</sup> to NZD/m<sup>3</sup>.

Note 2: Assuming no real price change in FY26 (July 2025 to June 2026).

Note 3: Assuming an incremental return to trend price levels by FY29.

Note 4: Assuming flat real price FY30 onwards.

*Harvest yield (m<sup>3</sup> per hectare)*

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

- *In respect of the Mangakahia Estate*

Three types of yield tables are used for estimation of future harvest yields in the Mangakahia Estate, namely, (i) acquisition yield tables, (ii) mid-rotation inventory yield tables, and (iii) generic yield tables:

- (i) Acquisition yield tables: the Group provided Indufor with a number of “original” yield projections in the form of yield tables, showing the expected harvest volume by log grade across a range of potential harvest ages. Indufor understands that these were acquired when the Group originally purchased the forest from Global Forest Partners in 2011. Indufor is unable to identify the underlying inventory data or the basis for preparation of the “acquisition” yield tables. The total recoverable volume (the “TRV”) for acquisition yield tables is 525 m<sup>3</sup> per hectare at age 25 years (area weighted average basis);
- (ii) Mid-rotation inventory yield tables: another set of yield tables were developed in 2021 based on an inventory of selected mid-rotation stands in the Mangakahia Estate. The inventory provided starting points for yield projections using the YT Gen software. Following a review of these yield tables against regional benchmarks, Indufor has applied a –15% adjustment. These mid-rotation inventory yield tables are applied to specific stands within the Mangakahia Estate. The adjusted TRV for mid-rotation inventory yield tables is 611 m<sup>3</sup> per hectare at age 25 years (area weighted average basis); and
- (iii) Generic yield tables: to estimate the potential yield of younger stands, in 2021 Indufor developed generic yield tables using the New Zealand Forecaster growth modelling software. The yield projections are correlated with average site index and average 300 index for each of the eight properties in the Mangakahia Estate. Yield projections settings included normal assumptions: (i) initial planted stocking of 1,000 sph, and (ii) thinning at age seven to nine years old to 450 to 500 sph. Following a review of these yield tables against regional benchmarks, Indufor then applied a –15% adjustment. The adjusted TRV for generic yield tables is 567 m<sup>3</sup> per hectare at age 25 years (area weighted average basis).

The table below sets out the expected average outturn by log grade.

Yield table type	Acquisition yield	Generic yield	Mid-rotation inventory yield
Area (hectare)	369.1	9,251.8	218.8
A40	5%	—	15%
A30	29%	51%	41%
K	25%	32%	19%
KI	12%	6%	9%
<b>Sawlog grades</b>	<b>71%</b>	<b>89%</b>	<b>84%</b>
KIS	8%	4%	10%
Pulp	21%	7%	6%
<b>Pulp log grades</b>	<b>29%</b>	<b>11%</b>	<b>16%</b>
<b>TRV (m<sup>3</sup>/hectare)</b>	<b>525</b>	<b>567</b>	<b>611</b>

- *In respect of the Ormond Valley Estate*

The yield projections for the Ormond Valley Estate plantation are developed from an inventory undertaken in 2019. The plot measurements and yield estimates from the 2019 inventory were made available for Indufor's review in 2020. Details about the inventory design and plot location procedures were not provided to Indufor. No new inventory data has been received since 2020, however, Indufor expects that a pre-harvest inventory will be undertaken within 12 to 24 months of the final harvest. Using the yield simulation software YGen, Indufor was able to reproduce the yield estimates from the 20 sample plot measurements confirming that the reliability of the yield table development procedure.

#### *Production costs*

Production costs mainly comprise the direct costs of roading, harvesting and transporting logs. Other harvest-related costs were also accounted for (where relevant), including pre-harvest inventory, supervision charges, harvest planning, weighbridge costs, log scaling (especially for export sales), phytosanitary treatments (also for export sales), and environmental management of harvesting operations.

For Mangakahia Estate, the production costs were determined with reference to the Group's recent actual costs, benchmarked against wider industry data in NZ. The production costs applied in the valuation are generally within the range of benchmark costs observed in the wider NZ forestry sector.

For Ormond Valley Estate, the production costs are based on costs incurred for the Group's past operations indexed to the present. Indufor observes that East Coast supervisory charges are relatively high compared to other regions, but this appears to reflect the attention in the face of scrutiny by local authorities.

*Establishment and tending costs*

For both Mangakahia Estate and Ormond Valley Estate, Indufor estimated unit costs for establishment and tending activities from the Group's cost records for the subject asset, and compared those costs against the cost range demonstrated by other NZ forest growers.

*Roading costs*

For both Mangakahia Estate and Ormond Valley Estate, harvest roading costs cover contractor charges for road maintenance, road upgrades, or road construction to support harvesting events.

*Harvesting costs*

Harvesting cost covers contractor charges for felling, crosscutting stems into log products, extracting logs to the roadside stockpiles, and then loading logs onto trucks. Indufor referenced the Group's historical actual cost records for harvesting within the Ormond Valley Estate and Mangakahia Estate as well as those incurred in other Northland properties under the Group's control.

*Overhead costs*

For both Mangakahia Estate and Ormond Valley Estate, the modelled overhead costs account for three components:

- (i) general fixed overheads are costs associated with management of the forest resource. They include staff remuneration in forest management, administration, business support, environmental compliance costs, and information technology and value optimisation. Such costs also included external professional service expenses, office rental, rates, telecommunications and other office expenses, depreciation of assets, public relations, health and safety, and fire protection. These costs are more closely associated with estate area, rather than harvested volume;
- (ii) harvesting and sales administration overheads cover the management and supervision of harvesting operations, and the costs of marketing and selling the logs. These expenses are influenced more by unit production volume than area; and
- (iii) forestry operations overheads cover the supervision and administration of establishment and tending operations.

*Transport costs*

Transport costs cover the direct costs of transporting logs from roadside landings in the plantations to the mill-or wharf-gate.

For Mangakahia Estate, Indufor has indexed the historical rates for the period January 2023 to May 2025 on NZD/tonne basis to 30 June 2025 using the NZ PPI–All Industries index. The rates are also converted to an NZD/m<sup>3</sup> basis using reliable weight to volume conversion factors. Indufor also considered factors such as, historical transport rates and actual transport costs incurred by the Company, in determining the transport costs.

For Ormond Valley Estate, Indufor’s valuation model includes a matrix of estimated costs for each origin and destination combination. The model selects the appropriate rate for the simulated log sales, which includes the assumed transport costs from Ormond Valley Estate to three identified market destinations: (i) Eastland Port at Gisborne, NZ, (ii) Dunstan Road log holding yard just south of Gisborne, NZ, and (iii) CHH sawmill at Kawerau, NZ.

*Discount rate*

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

Based on Indufor’s assessment, the NZ discount rate normally adopted for multiple rotation models have a mid-point around 6.3% with a low of 4.5% and a high of 8.0%. Indufor assumes that the mid-point rate captures country risk and represents an “average” softwood plantation in NZ. By comparing the characteristics of the Tree Crops to the “average” New Zealand plantation, an assessment can be made as to an appropriate risk premium/discount to be added to the mid-point discount rate.

The table below sets out Indufor’s assessment of the Tree Crops compared to an “average” NZ plantation estate using broad value drivers (e.g. forest growth, markets, surety of tenure). Overall, Indufor believes that the Tree Crops have an average to above average risk profile relative to other softwood plantations in NZ. The above average risk factors include market factors, the limitations of the harvest profile, and a relatively low investment in inventory and yield table development to date.

<b>Risk factor</b>	<b>Risk relative to country average</b>	<b>Comment</b>
Biotic	At average risk	Biological risk does not appear to be any higher than other NZ forest assets.
Abiotic	At average risk (above average for Ormond Valley)	NZ has recently experienced significant weather events including two ex-tropical cyclones. It is likely that these events will increase in intensity, if not number, with increasing climate change.
Growth and yield	Above average risk	Generic and acquisition yield tables should be revised.
Market/log prices	Above average risk	The Group's market is dominated by exports through Northport with the bulk of the volume going to China. The current sluggish Chinese market, particularly in the construction sector, is a risk for the Group's exports. The outlook for China remains poor to stable.
Harvest profile/ market absorption	Above average risk	The age class distribution is dominated by younger age classes with a corresponding drop in future volumes and a corresponding increase in harvesting cost due to the impact of a smaller piece size.
Production costs	At average to below average risk	Both Mangakahia Estate and Ormond Valley Estate are strategically managed under the Forest Manager, with experienced local entities in place to supervise forest operations. The forests have a good spread of ground based and hauler terrain and costs are expected to remain stable.
Forestry and overhead costs	At average risk	There has been some upward pressure on costs which have been included in the valuation. Generally, costs are within the industry average.
Land tenure/regulatory	At average risk	The estate is all on freehold land.

Based on the assessment described above, Indufor has selected and applied a discount rate of 7.00% for valuing the Tree Crops.

## **WOOD FLOWS ESTIMATION**

Indufor has simulated the potential log production (i.e. wood flows) from the Tree Crops using the Tigermoth<sup>3</sup> forest estate modelling software. The valuation model applies linear programming to optimise the objective, which in this case is the net present value of the Tree Crops.

### **Wood flow modelling results**

The modelled wood flows for the Mangakahia Estate are presented by rotation, product group and market destination. The model's optimum harvesting simulation shows that no harvesting occurs in the first two periods (i.e. from 2026 to 2027). This is followed by a period when harvest levels picks up gradually but remain well below 100,000 m<sup>3</sup>/annum (i.e. from 2028 to 2035). A significant area of the Tree Crops will only become readily harvestable from 2036, showing potential to supply the maximum harvest constraint level of 500,000 m<sup>3</sup>/year.

The modelled wood flows for the Ormond Valley Estate are presented by rotation, product group, and market destination. The model's optimum harvesting simulation shows that the first harvesting event occurs in 2029. Harvesting of subsequent rotations occurs every 25 to 26 years thereafter. Harvest levels in those years are around 50,000 m<sup>3</sup>.

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<sup>3</sup> Tigermoth is a licensed product of Stewart Murray Limited (<https://www.tigermoth.com/>).

## SENSITIVITY ANALYSIS

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

<b>Combined estates</b>	<b>Increase/(decrease) in parameter</b>	<b>Increase/(decrease) in value</b>
<b>Change in log price</b>		
If the log price increases	5%	NZ\$15.30 million
If the log price decreases	(5%)	(NZ\$15.30 million)
<b>Change in production costs</b>		
If the production costs increase	5%	(NZ\$6.77 million)
If the production costs decrease	(5%)	NZ\$6.77 million
<b>Change in transport costs</b>		
If the transport costs increase	5%	(NZ\$3.41 million)
If the transport costs decrease	(5%)	NZ\$3.41 million
<b>Change in discount rate</b>		
If the discount rate increases	1%	(NZ\$10.05 million)
If the discount rate decreases	(1%)	NZ\$13.16 million
<b>Mangakahia Estate</b>	<b>Increase/(decrease) in parameter</b>	<b>Increase/(decrease) in value</b>
<b>Change in log price</b>		
If the log price increases	5%	NZ\$14.93 million
If the log price decreases	(5%)	(NZ\$14.93 million)
<b>Change in production costs</b>		
If the production costs increase	5%	(NZ\$6.60 million)
If the production costs decrease	(5%)	NZ\$6.60 million
<b>Change in transport costs</b>		
If the transport costs increase	5%	(NZ\$3.37 million)
If the transport costs decrease	(5%)	NZ\$3.37 million
<b>Change in discount rate</b>		
If the discount rate increases	1%	(NZ\$9.87 million)
If the discount rate decreases	(1%)	NZ\$12.89 million



<b>Ormond Valley Estate</b>	<b>Increase/(decrease) in parameter</b>	<b>Increase/(decrease) in value</b>
<b>Change in log price</b>		
If the log price increases	5%	NZ\$0.37 million
If the log price decreases	(5%)	(NZ\$0.37 million)
<b>Change in production costs</b>		
If the production costs increase	5%	(NZ\$0.17 million)
If the production costs decrease	(5%)	NZ\$0.17 million
<b>Change in transport costs</b>		
If the transport costs increase	5%	(NZ\$0.04 million)
If the transport costs decrease	(5%)	NZ\$0.04 million
<b>Change in discount rate</b>		
If the discount rate increases	1%	(NZ\$0.18 million)
If the discount rate decreases	(1%)	NZ\$0.27 million

*The following is the summary of the Arotahi Valuation Report dated 30 September 2025 prepared for the purpose of incorporation in this circular received from Arotahi Agribusiness Limited, an independent valuer, in connection with their valuation as 31 August 2025 in respect of the forest land of the Sale Assets.*

**SUMMARY OF THE VALUATION METHOD AND THE PRINCIPAL ASSUMPTIONS  
ADOPTED IN THE AROTAHI VALUATION REPORT**

**BASIS OF USING THE MARKET APPROACH FOR VALUATION**

Pursuant to the Arotahi Valuation Report, Arotahi considered the application of three valuation approaches, namely market approach, income approach and cost approach, detailed within International Valuation Standards (IVS), effective 31 January 2025, and briefly described below:

- (i) the market approach is based on the principle of substitution, which states a rational buyer will not pay more for an asset than the cost of acquiring a similar one with equivalent utility. This approach involves analysis of comparable transactions and comparison with the valuation subject. This is widely utilized methodology;
- (ii) the income approach is based on the principle of anticipation of future economic benefits (typically expected cashflow) and converts these into present value. This method is typically utilized when future cashflows can be reasonably forecasted; and
- (iii) the cost approach is based on the principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction. This approach is utilized if comparable cost information is available and the asset is not frequently traded in the market.

The Arotahi Valuation Report has been prepared in accordance with the Guidance Papers for Valuers and Property Professionals (Best Practice) issued by the New Zealand Institute of Valuers and the International Valuation Standards.

Arotahi has adopted and utilised the direct comparison/comparison transaction method, which is methodology that falls within the market approach. The market approach is the most widely used method of valuation and is based on comparing the forest land to be valued directly with other comparable properties which have recently transacted. Sales are analysed individually with superior and inferior aspects considered, before adoption of values for the subject property. Properties within the dataset will normally vary in terms of scale, land characteristics, improvements, productive capacity and management history. Some sales may include tree crops and the allocation of land and trees increases subjectivity. If few recent transactions are available, active listings may be considered as secondary indicators. While historical in nature, this method generally provides a reliable indicator of value in an active real estate market. Sales are broken down into components including improvements and land classes. Once values are adopted for the subject property, a process of summation is adopted in order to derive total value.

Under International Valuation Standards, the concept of “highest and best use” is a critical valuation principle and the premise upon which a valuation is based.

*“Highest and best use is the use, from a participant perspective, that would produce the highest value for an asset. The highest and best use must be physically possible (where applicable), financially feasible, legally allowed and result in the highest value.” (IVS 102, Appexdix).*

It is generally in the economic interest of a landowner to maximise value by employing land to its highest and best use. If the current use of land is not the highest and best use, then the valuation needs to consider the value of the property under its highest and best use, with the cost to change the land use taken into account.

Arotahi is of the view that the current use of the subject property for production forestry, is highest and best use.

## SCOPE OF WORK AND FOREST LAND

The valuation under the Arotahi Valuation Report consists of assets in two locations, being (i) the multiple forestry blocks with a total legal title area of 12,788.27 hectares situated between Kaikohe and Dargaville, within the Far North, Kai para and Whangarei districts, including a prior pastoral block at Pakotai, adjoining the main Opouteke forest, NZ (the “**Northland Estate**”), and (ii) Ormond Forest with a legal area of 80.97 hectares situated on the East Coast of the North Island, NZ, approximately 22 km from Gisborne Port, with sealed access for approximately 21 km (the “**Ormond Estate**”, together with the Northland Estate, the “**Forest Land**”). Arotahi is commissioned to estimate the market value of the Forest Land.

### In respect of the Northland Estate

- *Characteristics*

Specifically, the Northland Estate comprising the following properties:

<b>Forest</b>	<b>Legal area (hectares)</b>
Baylys	442.1
Littles forest – Otaua	458.8
Mariopiu	1,534.4
Opouteke (main block)	7,106.8
Opouteke (recent planting)	137.3
Punakitere – Kirioke	435.7
Tangowahine	536.9
Waimatenui	1,456.6
Waiotama	679.7
<b>Total</b>	<b>12,788.3</b>

In general, the climates in the Northland Estate are reasonably well suited to forestry production and tree growth. They can, however, be subject to seasonal dry spells, intense rainfall events and high winds. The forests at the Northland Estate comprise a mix of contour, with approximately 27% ground-based overall. Littles, Mariopiu, Tangowahine and Waimatenui are predominantly ground based blocks, but Opouteke is predominantly hauler and this is the largest forest. Waiotama is also predominantly hauler.

- *Land use*

The Northland Estate is utilised for production forestry and are predominantly second rotation, with the exception of the three titles recently purchased for afforestation, situated on the eastern side of Opouteke. The forests are all predominantly planted in radiata pine. Within the legal title area there is non-productive area, made up of indigenous forest, riparian margins, rocky outcrops and steep slopes, etc.

Forestry is a major land use within the Northland region, NZ, and the region is reasonably well served by forestry service providers. There are multiple options for domestic saw log processing, as well as an export option. Approximate distances in kilometres to the most likely log destinations are summarised in the table below by forest:

<b>Forest</b>	<b>Export km</b>	<b>Export destination</b>	<b>Domestic km</b>	<b>Domestic saw log processing destination</b>
Baylys	100	Destination A	20	Destination B
Littles forest – Otaua	130	Destination A	45	Destination C
Mariopiu	113	Destination A	10	Destination B
Mariopiu – Dackers	113	Destination A	4	Destination B
Mariopiu – Waihue	104	Destination A	10.5	Destination B
Opouteke	83-90	Destination A	30	Destination B
Opouteke – recent planting	85	Destination A	60	Destination B
Punakitere – Kirioke	107	Destination A	38	Destination C
Tangowahine	75	Destination A	33.5	Destination B
Waimatenui – Zambezi	100	Destination A	53	Destination C
Waimatenui –Three bridges	117	Destination A	45	Destination C
Waiotama	54	Destination A	37	Destination D

- *Title records and other interest on Northland Estate*

The Northland Estate is held under multiple records of title with Greenheart Mangakahia Forest Land Limited and Greenheart Mangakahia Forest Maori Land Limited, each being an indirect wholly-owned subsidiary of the Company, as the registered owners. The Northland Estate includes a mix of pre-1990 forest land and post-1989 forest land. The post-1989 land is registered under stock change accounting.

There are a number of fencing agreements that are not considered material to value. There are right of ways and easements illustrated on the appropriate survey plans.

Section 309(1)(a) Local Government Act 1974 of NZ indicates that subdivision has been approved subject to the reservation of easements.

Section 8 Coal Mines Amendment Act 1950 of NZ and Section 168A of the Coal Mines Act 1925 of NZ indicates that coal is reserved to the Crown. Section 168A indicates that this reservation applies even when the land is exempted from other provisions of the said Act or transferred to private ownership. Section 5 of the Coal Mines Act 1979 of NZ states that coal remains the property of the Crown, even if it is located on private land. It also prohibits prospecting or mining for coal unless done in accordance with the Act. Section 261 defines the bed of any navigable river as being vested in the Crown. The Resource Management Act 1991 of NZ explicitly states that the repeal of Section 261 does not affect any right, interest, or title to land or water that was vested in the Crown before the new Act came into force.

Similarly, Section 8 of the Mining Act 1971 of NZ ensures when land is alienated (e.g. sold, transferred, or reserved for public use), that all minerals existing in their natural condition on or under the surface of the land remain the property of the Crown. This is regardless of ownership, and includes gold, silver, coal, and other naturally occurring substances. Section 6 ensures that all minerals existing in their natural condition on or under the surface of the land remain the property of the Crown, unless explicitly stated otherwise. Section 59 of Land Act 1948 of NZ also originally reserved minerals to the Crown but was repealed on April 1, 1973, by the Mining Act 1971, with relevant sections described above. Section 11 of the more recent Crown Minerals Act 1991 of NZ indicates that all petroleum, gold, silver, and uranium existing in its natural condition in land in NZ is the property of the Crown, regardless of land ownership.

Petroleum resources in NZ are specifically vested with the Crown under Section 3 of the Petroleum Act 1937 of NZ. The Crown retains the right to explore or extract petroleum, though it must follow legal procedures and compensate for surface damage. Section 8 of the Atomic Energy Act 1945 of NZ specifies that uranium in its natural condition shall be the property of the Crown. Section 3 of the Geothermal Energy Act 1953 of NZ indicates that the sole right to tap, take, use and apply geothermal energy on or under the land shall vest in the Crown, whether the land has been alienated from the Crown or not. Only the Crown (or those authorized by it) may explore, extract, or use geothermal energy. This provision overrides any private property rights or historical land titles that might suggest otherwise and Section 354(1) of the Resource Management Act 1991 of NZ, indicates it still has legal effect.

A number of titles have differing but specific notation excluding any interest in the coal and other minerals (excluding all sand, road metal and quarry rock).

There are minor proclamations and acquisition of areas for public works, for which Arotahi has made adjustment, as appropriate.

Section 308(4) Local Government Act 1974 of NZ notes that plans were approved subject to the amalgamation or transfer of allotments.

There is one Māori Freehold Land title (NA70A/721 in Mariopiu). This title can be used, traded, sold or transferred. However, unlike general land, Maori land must first be offered as succession, gift or sale to a preferred class of alienee (the “PCA”). If members of the PCA choose not to transfer, the interest can be transferred beyond this group. Arotahi has discounted the title slightly for this aspect and additional administration costs.

Section 241(2) Resource Management Act 1991 of NZ indicates a condition that requires multiple parcels of land to be held together in a single record of title. The separate parcels included in the record of title cannot be disposed of individually or held under separate titles without the approval of the Territorial Authority of NZ. Notation is entered on the title as a memorandum accordingly.

Part IV A Conservation Act 1987 of NZ refers to marginal strips. Land is reserved by the Crown along certain water bodies when Crown land is sold or otherwise disposed of. A 20-metre-wide strip is automatically reserved along:

- (i) the foreshore;
- (ii) the bed of any lake not controlled by artificial means; and
- (iii) the bed of any river or stream with an average width of three metres or more.

In Waimatenui (Zambezi) there is a land covenant dated 21 December 1989 between Mangakahia Forests Limited, and Telecom Auckland Limited (Telecom). The covenant protects a microwave transmission corridor. This area must be kept clear of any improvements, fences, trees, shrubs, or foliage. Telecom is provided access under this agreement to use internal roads, remove obstructive vegetation or structures, and perform necessary work. The corridor has been mapped as non-productive and is otherwise no considered material to value, utility corridors being common within commercial forest blocks.

The Emission Trading Scheme status of each block is described within. Arotahi notes that the forestry valuer is accounting for NZ caron units.

Arotahi has set the potential impact of Section 27B of the State Owned Enterprises Act of NZ aside for valuation purposes. While there is uncertainty of permanent tenure, if the land was to be resumed by Iwi, the owner would be compensated at assessed market value. Likewise, mortgage interests have been set aside.

- *Inspection Date(s)*

The Northland Estate were inspected between 13 and 15 January 2025 by Ms. Carolyn Blair, the registered valuer of Arotahi Agribusiness Limited and previously employed by CBRE Limited. Ms. Carolyn Blair has been working in rural valuation since 2016 and previously had a career in forestry and roading, after graduating from university in 1997. The valuer is not aware of any material changes to the land between the inspection date and the valuation date unless specifically noted.

*In respect of the Ormond Estate*

- *Characteristics*

The Ormond Estate is well suited to forestry production and tree growth, but has limited domestic processing options. It is well located to Eastland Port. The block is of irregular shape, with access via a legal right of way from Ormond Valley Road, Gisborne region, NZ. The contour is generally easier on the western side of the block than on the eastern side which is steeper. The western side of the forest also has easier access. Altitude is approximately 260 metres above sea level at the highest point. This is considered low altitude. Radiata pine usually has reduced height, growth rate, form and risk as altitude increases. There are tracks throughout the forest, but currently these are suitable for access via foot or ATV motorbike.

- *Land use*

The Ormond Estate is utilised for production forestry. The land was initially established in radiata pine in 1999, initially at 1000 stems per hectare and has now been thinned to 360 to 373 stems per hectare. The trees have been high pruned to 6 to 6.5 metres. There are non-productive areas of indigenous forest, riparian margins and steep slopes, etc.. There are no buildings. Improvements are limited to tracks, perimeter and internal fencing and water points. Tracks are sufficient for this stage of the rotation but will need significant upgrade before harvest.

There are fewer domestic processing options within this region than in other parts of NZ.

- *Title records and other interest on Ormond Estate*

According to the Arotahi Valuation Report, the Ormond Estate is held in a single record of title with Greenheart Papakorakora Forest NZ Limited, an indirect wholly-owned subsidiary of the Company, recorded as the Registered Owner.

The forests on Ormond Estate has no road frontage and consequently has a right of way to provide legal access. This provides a benefit to the Ormond Estate, and is deemed to provide adequate access. The right of way is illustrated on the title plan. Easements are not able to be modified without the written consent of the local Territorial Authority of NZ.

- *Inspection Date(s)*

The Ormond Estate was inspected on 30 September 2025 by Ms. Carolyn Blair, the registered valuer with Arotahi Agribusiness Limited and previously employed by CBRE Limited. Ms. Carolyn Blair has been working in rural valuation since 2016 and previously had a career in forestry and roading, after graduating from university in 1997. Despite the inspection date is different from the valuation date, there were no material changes to the properties between dates unless specifically noted.

## **VALUATION ASSUMPTIONS AND PARAMETERS**

### **General assumptions**

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

- (i) there will be no significant change in the relevant laws, regulations, or policies in NZ, no significant change in the economic conditions of NZ and no material hazardous issues associated with the Forest Land;
- (ii) the valuation is current as at 31 August 2025 only and no warranty is given as to the maintenance of this value into the future;
- (iii) the existing use(s) of the property is a legally conforming use which may be continued by any purchaser from the existing owner(s);
- (iv) the Forest Land is free and clear of all liens or encumbrances, with the exception of normal financing, and that there are no unidentified encroachments, easements, restrictions, leases or covenants that would in any way affect the valuation;
- (v) no hazardous substances or other adverse environmental conditions were observed, suspected or called to Arotahi's attention;
- (vi) there are no hidden or unapparent defects in the subject improvements, soil or sub-soil conditions, or other technical matters which might render the Forest Land more or less valuable than as stated in the Arotahi Valuation Report;
- (vii) there is no outstanding carbon liabilities associated with the Forest Land;
- (viii) there are no side agreements that would have an adverse effect on the market value of the Forest Land;
- (ix) the valuation excludes plantation tree crops and NZ carbon units pertaining to the Forest Land;
- (x) there are no force majeure or other unforeseeable factors that may give rise to material adverse impact on the Forest Land; and
- (xi) true and complete information has been provided. The Company has supplied relevant information regarding the Forest Land for the purpose of the valuation.



**Specific assumption and parameters**

For the Northland Estate, when applying the market approach:

- (i) Arotahi has been provided with an updated net stocked area of approximately 9,909 hectares, of which 50.8 hectares are considered very difficult to harvest or unharvestable. This provides a potentially harvestable area of 9,858.2 hectares. Arotahi allowed 3% for roading, tracks and infrastructure for second rotation forests to derive a total potentially productive area of 10,151.8 hectares;
- (ii) the Northland Estate has mixed Emission Trading Scheme status and an estimated 27% of the area suited to ground-based harvesting. Altitude is less than 600 metres above sea level in the productive area of all blocks. The Estate comprises mixed but predominantly clay soil types and has a predominant moderate erosion susceptibility classification. The blocks are planted in *pinus radiata*;
- (iii) the closest forest to Northport is an approximate 55 km cart with the most northern forest in Otaua an approximate 129 km cart. There are mills which process *radiata* pine in Whangarei, Marsden Point, Kaihu (north of Dargaville) and Kerikeri (90 km north of Whangarei). There is a chip processor at Portland and minor local markets for sawdust and bark; and
- (iv) the valuation of the Northland Estate is based on a reasonable exposure time of up to 60 days, typical for properties of this type in the local market. The exposure time is estimated through analysis of market data and assumes that the property is listed for sale at a reasonable asking price.

For the Ormond Estate, when applying the market approach:

- (i) Arotahi has been provided with mapping and commentary indicating that there are 0.8 hectares planted over the legal boundary, however there appears to be sufficient unplanted give and take area along the north-eastern legal boundary, and consequently Arotahi has not deducted this productive area from its assessment;
- (ii) the Ormond Estate is low altitude with a predominant north-west facing aspect, and approximately 62% ground-based contour, with the remainder steeper country regarded as hauler country. The block has predominant moderate to high erosion susceptibility under National Environmental standards. It contains a relatively clear understorey, with tracking that would require upgrade before harvest;

- (iii) there is valuation uncertainty after Tairawhiti (i.e. within the Gisborne region where the Ormond Estate is located in) was hit by Cyclone Gabrielle. This was a severe weather event that had a significant impact on the region, causing widespread flooding and erosion. There has been a Ministerial Inquiry into land use in the area, with the Panel making recommendations to the NZ government, some of which would have a significant impact on forestry operations if adopted. There is now an advisory group working to refine the recommendations and work out what can be implemented and how. As at the date of the Arotahi Valuation Report, the relevant parties are still waiting to find out what the regulatory changes will be. Therefore, the forestry real estate market in the area is effectively paused while the recovery takes place and property owners and potential purchasers wait for more certainty. In the valuation Arotahi has attempted to take into account the condition of the Ormond Estate as at the valuation date, but noting there has been little market activity in the region since the cyclone; and
- (iv) the valuation of the Ormond Estate is based on a reasonable exposure time of up to 90 days, typical for properties of this type in the local market. The exposure time is estimated through analysis of market data and assumes that the property is listed for sale at a reasonable asking price.

## COMPARABLE SALE TRANSACTIONS AND SELECTION CRITERIA

### Comparable Sales

Within Arotahi's dataset, it has identified the following forest properties of most relevance to prepare the valuations of the Forest Land (the "**Comparable Sales**"). Arotahi has proceeded on the basis that all reported sale prices are GST exclusive, which is the norm for the forestry property class.

#### In respect of the Northland Estate

The table below sets out the Comparable Sales in respect of the Northland Estate.

Comparable Sale	Details
Sale 1	Taumatamare Road, Awakino, Waitomo District
Sale 2	Mapiu Forest, Takiri Road, Āria, Waitomo District
Sale 3	Waingaro Forest, Waingaro Road, Waingaro, Waikato District
Sale 4	Mohaka Forest, State Highway 2, Kotemaori, Wairoa District
Sale 5	Twidles Road, Havelock, Marlborough Di
Sale 6	Jones and Jenkins Forests, Cullensville Road, Linkwater, Marlborough District
Sale 7	Greenoch Forest, 4 Hawken Road, Mangamahu, Whanganui District
Sale 8	Taipoi No. III & IV Forest, Tinui Valley Road, Tinui Valley, Masterton District
Sale 9	Birch North Forest, 594 Birch Road North, Weber, Tararua District
Sale 10	Ngahape Forest, Ngahape Road, Ngāhape, Masterton District

### Comparable Sale      Details

Sale 11	Aniseed Valley Road, Hope, Tasman District
Sale 12	Broadpine Forest, Awaroa Road, Broadwood, Far North District
Sale 13	Eastern BOP Estate, Toatoa, Opotiki District
Sale 14	Waimai Forest, Dixon Road, Te Ākau, Waikato District
Sale 15	Kenningtons Road, Okaramio, Marlborough District
Sale 16	Middle Mount Forests, Mount Trotter, Waitaki District
Sale 17	Totara Forest, Caruth Road, Poroti, Whangārei District
Sale 18	Omakura Forest, 438 Mangamuka Road, Mangamuka, Far North District

The table below summarises analyses from Arotahi of the Comparable Sales in respect of the Northland Estate.

Comparable Sale	Sale date	Net sale price NZD million	Total hectares	Net sale price/ hectare NZD	Productive hectares	Net sale price/ productive hectare NZD	Productive land sale price NZD million	Productive land sale price/ productive hectare
Sale 1	Aug-25	0.80	265.3	3,016	209.7	3,790	0.70	3,348
Sale 2	Jun-25	0.56	148.8	3,767	136.9	4,086	0.49	3,586
Sale 3	Jun-25	1.62	316.2	5,139	294.4	5,511	1.48	5,012
Sale 4	May-25	0.85	188.7	4,494	152.2	5,546	0.77	5,047
Sale 5	Feb-25	0.35	146.9	2,383	96.9	3,560	0.32	3,302
Sale 6	Oct-24	1.30	411.8	3,157	274.0	4,694	1.20	4,394
Sale 7	Sept-24	1.70	567.6	2,995	458.5	3,684	1.31	2,866
Sale 8	Sept-24	1.19	368.8	3,226	324.0	3,659	1.02	3,159
Sale 9	Jul-24	1.31	553.3	2,360	334.0	3,843	1.18	3,543
Sale 10	Feb-24	0.91	212.3	4,291	195.5	4,651	0.81	4,150
Sale 11	Jan-24	14.00	4,414.0	3,172	3,553.0	3,916	12.85	3,616
Sale 12	Dec-23	0.33	120.2	2,746	102.2	3,212	0.28	2,722
Sale 13	Nov-23	8.62	5,304.3	1,626	1,985.2	4,241	7.43	3,741
Sale 14	Sept-23	1.10	196.6	5,594	180.3	6,091	1.01	5,592
Sale 15	Sept-23	0.91	255.0	3,549	198.5	4,531	0.80	4,032
Sale 16	Sept-23	6.80	1,472.7	4,617	1,262.4	5,370	6.51	5,161
Sale 17	Aug-23	1.18	305.5	3,862	269.5	4,365	1.10	4,064
Sale 18	Jul-23	0.60	305.9	1,961	184.8	3,181	0.50	2,681
<b>Min.</b>		<b>0.33</b>	<b>120.2</b>	<b>1,626</b>	<b>96.9</b>	<b>3,181</b>	<b>0.28</b>	<b>2,681</b>
<b>Avg.</b>		<b>2.45</b>	<b>864.1</b>	<b>3,442</b>	<b>567.3</b>	<b>4,329</b>	<b>2.21</b>	<b>3,890</b>
<b>Max.</b>		<b>14.00</b>	<b>5,304.3</b>	<b>5,594</b>	<b>3,553.0</b>	<b>6,091</b>	<b>12.85</b>	<b>5,592</b>

The table below summarises the estimated values on a price per hectare basis of each category of land and improvement attributed to the Comparable Sales in respect of the Northland Estate.

Comparable Sale	Greenfields			Pre-1990		Pre-1990		Roads & Skids
	Post-1989	Post-1989	Post-1989	Pre-1990	Pre-1990	Pre-1990		
	– Ground	– Ground	– Hauler	– Ground	– Hauler	– Ground		
	<600m	<600m	<600m	<600m	<600m	600-800m		
	NZD	NZD	NZD	NZD	NZD	NZD	Unproductive	NZD
Sale 1	7,500		2,807				100	500
Sale 2		4,193	3,325				100	500
Sale 3		6,068	4,825				100	500
Sale 4		5,077	3,800				100	500
Sale 5			3,302				100	500
Sale 6				4,751	3,800		100	300
Sale 7	15,234			3,250	2,600		100	500
Sale 8					3,050		100	500
Sale 9				4,021	3,225		100	300
Sale 10				5,205	4,110		100	500
Sale 11				4,494	3,550		100	300
Sale 12				3,196	2,600		100	500
Sale 13				4,372	3,525	3,525	100	500
Sale 14		6,330	5,100				100	500
Sale 15		4,158	3,325				100	500
Sale 16		6,189	4,950	4,500	3,600		100	350
Sale 17				4,190	3,350		100	300
Sale 18				2,987	2,375		100	500
Min.	7,500	4,158	2,807	2,987	2,375	3,525	100	300
Avg.	11,367	5,336	3,929	4,097	3,253	3,525	100	447
Max.	15,234	6,330	5,100	5,205	4,110	3,525	100	500

The land values above include the value of any boundary fencing.

*In respect of the Ormond Estate*

The table below sets out the Comparable Sales in respect of the Ormond Estate.

Comparable Sale	Details
Sale 1	594 Taumatamair Road, Awakino, Waitomo District
Sale 2	594 Takiri Road, Āria, Waitomo District
Sale 3	Waingaro Road, Waingaro, Waikato District
Sale 4	594 State Highway 2, Kotemaori, Wairoa District
Sale 5	Shenandoah Highway, Maruia, Tasman District
Sale 6	Twidles Road, Havelock, Marlborough District
Sale 7	594 Matakitaki Road, Six Mile, Tasman District
Sale 8	Cullensville Road, Linkwater, Marlborough District
Sale 9	594 Birch Road North, Weber, Tararua District
Sale 10	Ngahape Road, Ngāhape, Masterton District
Sale 11	594 Awaroa Road, Broadwood, Far North District
Sale 12	Dixon Road, Te Ākau, Waikato District
Sale 13	Kenningtons Road, Okaramio, Marlborough District

The table below summarises analyses from Arotahi of the Comparable Sales in respect of the Ormond Estate.

Comparable Sale	Sale date	Net sale price NZD million	Total hectares	Net sale price/ hectare NZD	Productive hectares	Net sale price/ productive hectare NZD	Productive land sale price NZD million	Productive land sale price/ productive hectare
Sale 1	Aug-25	0.80	265	3,016	209.66	3,790	0.70	3,348
Sale 2	Jun-25	0.56	149	3,767	136.92	4,086	0.49	3,586
Sale 3	Jun-25	1.62	316	5,139	294.43	5,511	1.48	5,012
Sale 4	May-25	0.85	189	4,494	152.21	5,546	0.77	5,047
Sale 5	Apr-25	0.33	40	8,154	32.87	9,781	0.31	9,477
Sale 6	Feb-25	0.35	147	2,383	96.90	3,560	0.32	3,302
Sale 7	Nov-24	0.64	93	6,884	74.10	8,479	0.59	7,973
Sale 8	Oct-24	1.30	412	3,157	274.00	4,694	1.20	4,394
Sale 9	Jul-24	1.31	553	2,360	334.00	3,843	1.18	3,543
Sale 10	Feb-24	0.91	212	4,291	195.51	4,651	0.81	4,150
Sale 11	Dec-23	0.33	120	2,746	102.19	3,212	0.28	2,722
Sale 12	Sept-23	1.10	197	5,594	180.33	6,091	1.01	5,592
Sale 13	Sept-23	0.91	255	3,549	198.51	4,531	0.80	4,032

The table below summarises the estimated values on a price per hectare basis of each category of land and improvement attributed to the Comparable Sales in respect of the Ormond Estate.

Comparable Sale	Flat to gently undulating (0-3°) NZD	Post-1989 – Ground <600m NZD	Post-1989 – Hauler <600m NZD	Pre-1990 – Ground <600m NZD	Pre-1990 – Hauler <600m NZD	Unproductive NZD
Sale 1		7,500	2,807			100
Sale 2		4,193	3,325			100
Sale 3		6,068	4,825			100
Sale 4		5,077	3,800			100
Sale 5	12,000	10,949		4,000		500
Sale 6			3,302			100
Sale 7		9,000	7,114			500
Sale 8				4,751	3,800	100
Sale 9				4,021	3,225	100
Sale 10				5,205	4,110	100
Sale 11				3,196	2,600	100
Sale 12		6,330	5,100			100
Sale 13		4,158	3,325			100

#### Selection criteria

##### In respect of the Northland Estate

Due to the limited market data available, Arotahi has included sales of forest land from anywhere in NZ within the past two years. Compared to earlier years, there has been an above-average number of sales since mid-2023.

Of the sales with post-1989 forest land, Sales 2, 3 and 15 are second rotation unregistered blocks, so they only have carbon earning potential if they are registered as permanent forests, however the land values do show a premium over pre-1990 land. Sale 4 is partly registered and Sales 14 and 16 are registered in the Emission Trading Scheme under stock change accounting, so the carbon earning potential does contribute value. The bottom of the value range is defined by Sales 12 and 18. These are relatively small forests and are located in the Far North region, NZ, where there are few active forestry companies or investors. Sale 7 is also near the bottom of the value range because of its undesirable location. In terms of pre-1990 forest land, the top of the value range is defined by Sale 10. This block has good productivity fundamentals but a higher than ideal cart to port. The remaining transactions exhibit a relatively tight range and appear to be good indicators of market value.

Based on the above, Arotahi considered that the analysed Comparable Sales are able to provide reasonable support to its valuation of the Northland Estate.

*In respect of the Ormond Estate*

As mentioned in the section headed “Specific assumption and parameters” above, there has been a distinct lack of market activity in the Gisborne region, NZ, within this sector since the Cyclone Gabrielle that would meet Arotahi’s definition of a bona fide sale. There is a shortage of sales of similar scale within a very short cart to port and within a location which could attract a lifestyle premium. Arotahi has therefore prioritized smaller scale sales that might appeal as a small hunting block and could have some lifestyle premium built in.

Sale 7 is the most similar in scale. This is a property in an inferior location, with a larger amount of hauler contour. Sale 5 is another relatively small-scale sale, but is also considered to be in an inferior location, with regards to distance to port. Post-1989 sales provide a range of NZ\$4,158 per hectare to NZ\$10,949 per hectare. Sales 1, 2, 3, 4, 6, 12 and 13 are sales that were Post-1989 but the valuer understands had area that was not registered under the Emission Trading Scheme. The Pre-1990 sales do not have potential to earn a carbon income stream. The subject is considered superior to most sales with regards to cartage to port and productivity fundamentals, and is located in the popular lifestyle location. Notwithstanding the aforesaid, the Gisborne forestry market is currently relatively stagnant, due to uncertainty with regard to resource management policy within this region and perceived associated risk.

Based on the above, Arotahi considered that the analysed Comparable Sales are able to provide reasonable support to its valuation of the Ormond Estate. However, Arotahi notes the possibility of volatility of price due to significant uncertainty within the Gisborne region, NZ.

**VALUATION**

Based on the assumptions outlined in this appendix, with reference to the Comparable Sales, Arotahi adopted an aggregate land and improvement value for the Forest Land, exclusive of the tree crops thereon and the valuation of the Forest Land as at 31 August 2025 is set out as follows:

<b>Value component</b>	<b>NZD million</b>
<b><i>Forest Land</i></b>	
Northland Estate	29.080
Ormond Estate	0.545

*In respect of the Northland Estate*

Arotahi has adopted values within the range of comparable sales, with variations depending predominantly on the sales evidence in each region, plus the estimated productivity, distance from log destinations and other locational factors. Arotahi has considered the scale of the comparables within their dataset, when applying values to each block. The valuation provides an aggregate value, being the sum of each forest value. It is noted that this aggregate value is not necessarily equal to the value that the properties would trade at “in one line” if so together as an estate. However, it is also noted that many investors in the current market prefer scale.

The table below shows the adopted per hectare rates for different harvesting methods and other land types:

Forest	Pre-1990			Post-1989		
	Ground based	Intermediary	Hauler	Ground based	Intermediary	Hauler
	NZD	NZD	NZD	NZD	NZD	NZD
Baylys	3,100	2,790				
Littles forest – Otaua	3,500	3,150	2,800			
Mariopiu	2,650	2,385	2,120	4,929	4,410	4,103
Opouteke (main block)	2,700	2,430	2,160			
Opouteke (recent planting)				9,560		7,648
Punakitere – Kirioke		2,565				
Tangowahine	5,335	4,802				
Waimatenui	2,850	2,565	2,280			
Waiotama	4,150	3,735	3,320			

Detailed breakdown of the valuation of the Northland Estate (in New Zealand dollars and on a plus GST basis) is set out as follows:

Forest	Land value NZD	Total value/ hectare NZD	Total value/ productive hectare NZD
Baylys	1,200,000	2,714	2,915
Littles forest – Otaua	1,370,000	2,986	3,190
Mariopiu	5,420,000	3,532	4,065
Opouteke (main block)	12,030,000	1,693	2,229
Opouteke (recent planting)	590,000	4,299	8,465
Punakitere – Kirioke	800,000	1,836	2,604
Tangowahine	2,500,000	4,644	5,359
Waimatenui	3,120,000	2,142	2,751
Waiotama	2,050,000	3,016	3,404
<b>Total</b>	<b>29,080,000</b>	<b>2,274</b>	<b>2,865</b>



*In respect of the Ormond Estate*

The table below shows the adopted per hectare rates for different harvesting methods and other land types:

Value component	NZD/hectare
Ground based	8,000
Hauler	6,400
Unproductive	500

Detailed breakdown of the valuation of the Ormond Estate (in New Zealand dollars and on a plus GST basis) is set out as follows:

Value component	Hectares	NZD/hectare	Value in NZD
Post-1989 Forest Land <600 masl –			
Ground-based	45.51	8,000	364,064
Post-1989 Forest Land <600 masl –			
Hauler	27.89	6,400	178,509
Unproductive	7.57	500	3,783
<b>Total</b>	<b>80.97</b>	<b>6,748</b>	<b>546,355</b>
<b>Rounded</b>			<b>545,000</b>

*The following is the letter received from the Reporting Accountants, Deloitte Touche Tohmatsu, for the purpose of inclusion in this circular.*

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

**Deloitte.**

**德勤**

**TO THE DIRECTORS OF GREENHEART GROUP LIMITED**

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by Indufor Asia Pacific Limited dated 4 November 2025, of the tree crops of the sale assets (the “**Tree Crops**”) as at 31 August 2025 (the “**Valuation**”) is based. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and will be included in a circular dated 7 November 2025 to be issued by Greenheart Group Limited (the “**Company**”) in connection with the very substantial disposal in relation to the proposed disposal of the sale assets (the “**Circular**”).

**Directors’ Responsibility for the Discounted Future Estimated Cash Flows**

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

**Our Independence and Quality Management**

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

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

**Reporting Accountants' Responsibility**

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

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

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

**Opinion**

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

**Deloitte Touche Tohmatsu***Certified Public Accountants*

Hong Kong

7 November 2025

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

7 November 2025

**Greenheart Group Limited**

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

**Attn.: Board of Directors**

Dear Sirs/Madams,

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

According to the Valuation Report dated 4 November 2025 prepared by Indufor Asia Pacific Limited (the “**Valuer**”), the appraised value of the Tree Crops as at 31 August 2025 used the discounted cash flow method under the income approach. On this basis, the valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules (the “**Profit Forecast**”).

In accordance with the Company’s instructions, we have reviewed the Profit Forecast, for which the Directors are solely responsible for. We have also discussed with the management of the Company and the Valuer regarding the bases and assumptions upon which the Profit Forecast has been made. We have also considered the letter from reporting accountants to the Company dated 7 November 2025 in relation to the arithmetical accuracy of the calculations of the appraised value of the Tree Crops.

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

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

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

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

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules were as follows:

(i) *Interests and short positions of the Directors and chief executive in the Shares, underlying Shares or debentures of the Company*

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company.

(ii) *Interests and short positions of the Directors and chief executive in the shares, underlying shares or debentures of associated corporation of the Company*

*Long positions in the shares, underlying shares or debentures of associated corporation of the Company*

The following Director has personal interest in the ordinary shares of Chow Tai Fook Jewellery Group Limited (“**CTFJ**”), a fellow subsidiary of the Company. Details are as follows:

Director	Capacity	Number of shares held and underlying shares interested	Approximate percentage of the total issued share capital of CTFJ
Lie Ken Jie Remy Anthony Ket Heng	Beneficial owner	400,000	0.004%

*Short positions in the shares, underlying shares or debentures of associated corporation of the Company*

The following Director has personal interest in the ordinary shares of CTFJ, a fellow subsidiary of the Company. Details are as follows:

Director	Capacity	Number of shares held and underlying shares interested	Approximate percentage of the total issued share capital of CTFJ
Lie Ken Jie Remy Anthony Ket Heng	Beneficial owner	400,000	0.004%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company have or are deemed to have interests or short positions in the Shares, underlying Shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were notifiable to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have taken under such provisions of the SFO), or recorded in the register required to be maintained by the Company under Section 352 of the SFO, or as otherwise notifiable to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## (b) Interests of substantial Shareholders

*Long Positions in the Shares and underlying Shares of the Company*

As at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Substantial Shareholders	Capacity	Number of Shares	Number of underlying Shares	Approximate percentage of issued share capital of the Company %
Newforest Limited	Beneficial owner (Notes 1 & 2)	1,683,008,890	–	60.49
Cheng Yu Tung Family (Holdings) Limited	Interest of controlled corporation (Note 1)	1,683,008,890	–	60.49
Cheng Yu Tung Family (Holdings II) Limited	Interest of controlled corporation (Note 1)	1,683,008,890	–	60.49
Chow Tai Fook Capital Limited	Interest of controlled corporation (Note 1)	1,683,008,890	–	60.49
Chow Tai Fook (Holding) Limited	Interest of controlled corporation (Note 1)	1,683,008,890	–	60.49
Chow Tai Fook Nominee Limited	Interest of controlled corporation (Note 1)	1,683,008,890	–	60.49
Sharpfield Holdings Limited	Interest of controlled corporation (Notes 1 & 2)	1,683,008,890	–	60.49
Gallant Elite International Limited	Interest of controlled corporation (Notes 1 & 3)	1,683,008,890	–	60.49



*Notes:*

1. Newforest Limited is directly and beneficially owned as to 40% by Gallant Elite International Limited and as to 60% by Sharpfield Holdings Limited. Both Gallant Elite International Limited and Sharpfield Holdings Limited are wholly-owned subsidiaries of Chow Tai Fook Nominee Limited. Chow Tai Fook Nominee Limited is a wholly-owned subsidiary of Chow Tai Fook (Holding) Limited. Chow Tai Fook (Holding) Limited is owned as to 81.03% by Chow Tai Fook Capital Limited. Chow Tai Fook Capital Limited is owned as to 48.98% and 46.65% by Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, respectively. As such, Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited are deemed to be interested in the Shares in which Newforest Limited is interested by virtue of Part XV of the SFO.
2. Mr. Cheng Chi-Him, Conrad and Mr. Lie Ken Jie Remy Anthony Ket Heng are directors of each of Newforest Limited and Sharpfield Holdings Limited.
3. Mr. Lie Ken Jie Remy Anthony Ket Heng is a director of Gallant Elite International Limited.

Save as disclosed above, the Company has not been notified by any person (other than the Directors and chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company as at the Latest Practicable Date which were required to be notified to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which are recorded in the register required to be kept by the Company under the SFO.

### **3. DIRECTORS' INTERESTS IN ASSETS**

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

### **4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contract with any member of the Group which does not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

### **5. DIRECTORS' INTEREST IN CONTRACTS AND ARRANGEMENT**

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

### **6. DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

As at the Latest Practicable Date, none of the Directors or their respective associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

## 7. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no member of the Group was engaged in any litigation or arbitration or claims which would materially or adversely affect the operations of the Company and no litigation, arbitration or claim which would materially or adversely affect the operations of the Company was known to the Directors to be pending or threatened by or against any member of the Group.

## 8. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinions, letters or advice which is contained in this circular:

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

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

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

As at the Latest Practicable Date, as far as the Directors are aware, the above experts did not have any interest, either directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

**9. MATERIAL CONTRACTS**

Save as the disclosed below, as at the Latest Practicable Date, no contracts (not being contracts entered into in the ordinary course of business) had been entered into by members of the Group within the two years immediately preceding the date of this circular and which are, or may be, material to the Group:

- (i) the placing agreement dated 10 June 2025 entered into between the Company and VMS Securities Limited in relation to the placing of the Placing Shares (as defined in the prospectus of the Company dated 7 July 2025); and
- (ii) the SPAs.

**10. DOCUMENTS ON DISPLAY**

Copies of the following documents are published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.greenheartgroup.com](http://www.greenheartgroup.com)) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the SPAs;
- (b) the report issued by Deloitte Touche Tohmatsu in connection with the unaudited pro forma financial information of the Remaining Group, the text of which are set out in Appendix III to this circular;
- (c) the unaudited profit and loss statements on the identifiable net income stream of the Sale Assets which is set out in Appendix IV to this circular;
- (d) the Indufor Valuation Report, the summary of which is set out in Appendix V to this circular;
- (e) the Arotahi Valuation Report, the summary of which is set out in Appendix VI to this circular;
- (f) the report from Reporting Accountants on the calculation of the Profit Forecast, the text of which is set out in Appendix VII to this circular;
- (g) the letter from the Financial Adviser in relation to the Profit Forecast, the text of which is set out in Appendix VIII to this circular;
- (h) each of the written consents referred to in the paragraph headed “8. Experts and consents” in this appendix;
- (i) each of the material contracts referred to under the paragraph headed “9. Material contracts” in this appendix; and
- (j) this circular.

**11. MISCELLANEOUS**

- (a) The registered office of the Company is situated at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at 32A, 32/F., Fortis Tower, Nos. 77-79 Gloucester Road, Wan Chai, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited which is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The company secretary of the Company is Ms. Fung Ka Man, who is an associate of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute and awarded with the dual designations of Chartered Secretary and Chartered Governance Professional.
- (e) In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

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## NOTICE OF SPECIAL GENERAL MEETING

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### GREENHEART GROUP LIMITED

### 綠心集團有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 94)**

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “SGM”) of Greenheart Group Limited (the “Company”) will be held at Basement 2, Function Room, The Wharney Guang Dong Hotel Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong on Monday, 24 November 2025 at 11:30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions of the Company. Terms defined in the circular of the Company dated 7 November 2025 bear the same meanings herein unless the context otherwise requires.

#### ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the SPAs, the terms and conditions thereof and transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one or more of the Directors be and is/are hereby authorised for and on behalf of the Company to sign, seal, execute, perfect, perform and deliver all such documents, instruments, deeds (whether or not with the affixation of common seal) and agreements, and to do all such acts, matters or things and take all such steps as he/she/they may in his/her/their discretion consider necessary, expedient, desirable or appropriate to effect the transactions contemplated under the SPAs, and to agree to variations or modifications or waivers or matters relating to the terms and conditions of the SPAs as are, in the opinion of the Directors, in the interest of the Company and the Shareholders as a whole.”

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## NOTICE OF SPECIAL GENERAL MEETING

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2. “**THAT** subject to the fulfilment of the Special Dividend Conditions, the declaration and payment of the Special Dividend in cash of HK\$0.01 per Share (the “**Special Dividend**”) to Shareholders whose names appear on the register of members of the Company on the record date to be fixed by the Directors for determining the entitlements to the Special Dividend be and are hereby approved; and any Director be and is hereby authorised to take such action, do such things and execute such further documents (whether or not with the affixation of common seal) as the Director may at his absolute discretion consider necessary or desirable for the purpose of or in connection with the implementation of the payment of the Special Dividend.”

By Order of the Board  
**Greenheart Group Limited**  
**Fung Ka Man**  
*Company Secretary*

Hong Kong, 7 November 2025

*Notes:*

1. A Shareholder entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Bye-Laws of the Company, vote in his/her/its stead. A proxy need not be a Shareholder.
2. In order to be valid, the proxy form together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event no later than 48 hours (excluding any part of a day that is a public holiday) before the time for holding the SGM or any adjournment thereof.
3. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the SGM or any adjournment thereof should they so wish and, in such event, the appointment of proxy shall be deemed to be revoked.
4. Where there are joint registered holders of any Share(s), any one of such joint holders may attend and vote at the SGM, either in person or by proxy, in respect of such Share(s) as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the SGM or any adjournment thereof, that one of the joint holders whose name stands first on the register of members of the Company in respect of the relevant joint holding shall alone be entitled to vote in respect thereof.

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## NOTICE OF SPECIAL GENERAL MEETING

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5. For the purpose of determining Shareholders' eligibility to attend and vote at the SGM or at any adjournment thereof, the register of members of the Company will be closed as set out below:

Latest time to lodge transfer documents for registration with the Company's  
branch share registrar and transfer office in Hong Kong 4:30 p.m. on 18 November 2025

Closure of the register of members of the Company 19 November 2025 to 24 November 2025  
(both dates inclusive)

Record date 24 November 2025

During the above closure period, no transfer of Shares will be registered. To be eligible to attend and vote at the SGM or at any adjournment thereof, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 18 November 2025.

6. Pursuant to Rule 13.39(4) of the Listing Rules, all the resolution(s) proposed to be approved at the SGM will be taken by poll except where the chairman of the SGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

7. If a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal or "extreme conditions" announced by the Hong Kong government is/are in force at any time after 9:30 a.m. on the date of the SGM; or the Hong Kong Observatory has issued an advanced notice that a tropical cyclone warning signal no. 8 or above is expected to be hoisted at any time after 9:30 a.m. on the date of the SGM, the SGM will be adjourned. The Hong Kong government may issue an announcement on "extreme conditions" in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons. Under such circumstances, the Company will publish an announcement on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.greenheartgroup.com](http://www.greenheartgroup.com) to notify the Shareholders of the date, time and venue of the adjourned SGM.

The SGM will be held as scheduled when an amber or a red rainstorm warning signal is in force. Shareholders and their proxy(ies) should decide on their own whether they should attend the SGM physically under bad weather conditions, having regard to their own circumstances and if they choose to do so, they are advised to exercise due care and caution.

Shareholders may call the customer service hotline of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at (852) 2980 1333 during business hours (9:00 a.m. to 6:00 p.m., Monday to Friday, excluding Hong Kong public holidays) for the SGM arrangements.

8. In the event of any inconsistency, the English version of this notice shall prevail over the Chinese version.

*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.*