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## **GREENHEART GROUP LIMITED**

**綠心集團有限公司**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 94)

### **VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE IN RELATION TO NEW ZEALAND FORESTRY DIVISION**

This announcement is made by Greenheart Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

Due to the recent outbreak of the novel coronavirus pneumonia epidemic (the “**Epidemic**”) in the People’s Republic of China (the “**PRC**”), the government of the PRC has extended the Lunar New Year holiday to 10 February 2020. Operations of most of the manufacturing factories in the PRC are still closed as at the date of this announcement. This extended closure of the manufacturing factories in the PRC has substantially reduced the offtake volume of New Zealand radiata pine. Recent prices offered by major purchasers for radiata pine in the New Zealand market have decreased significantly, with a drop of 18-20% as compared to that at the end of 2019.

If the suspension of the manufacturing factories in the PRC continues for any extended period or more measures are promulgated by the PRC government to further restrict the movement of people or materials in response to the Epidemic, then the price level for the New Zealand radiata pine is likely to remain low for some time. As a result, the Group has decided to immediately suspend its harvesting operation in New Zealand until the market situation becomes clearer.

At present, the Group has fulfilled all outstanding orders of our New Zealand radiata pine and only has small quantity of stock on hand for delivery at the end of February by vessel to China. Our New Zealand forestry division has formally given notice to all contractors and subcontractors of the impending suspension of our New Zealand harvesting operation. The suspension is likely to have a negative impact on the Group’s short term financial results but is a necessary step to preserve the wood reserve of the Group. The management of the Group will review the situation continuously and endeavour to resume the harvesting operation of our New Zealand forestry division as soon as possible.

The board of directors of the Company will continue to assess the impact of the Epidemic on the Group's operations and financial performance and closely monitor the development of the Epidemic and the Group's exposure to the risks and uncertainties in this connection. The Company will take appropriate measures as necessary and make further announcement(s) as and when appropriate.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 7 February 2020

*As at the date hereof, the Board comprises two executive Directors, namely Messrs. Ding Wai Chuen and Lim Hoe Pin, four non-executive Directors, namely Messrs. Cheng Chi-Him Conrad, Tsang On-Yip Patrick, Simon Murray and Cheng Yang, and three independent non-executive Directors, namely Messrs. Nguyen Van Tu Peter, Wong Man Chung Francis and Cheung Pak To Patrick.*

Website: <http://www.greenheartgroup.com>