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GREENHEART GROUP LIMITED

綠心集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 94)

INSIDE INFORMATION

PROFIT ALERT - SUBSTANTIAL IMPROVEMENT IN FINANCIAL RESULTS

This announcement is made by Greenheart Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available, the Group expects to record a decrease of approximately 96.5% in its net loss for the six months ended 30 June 2021 (the “**Period**”) as compared to the corresponding period last year.

The Group considers that the improvement of performance of the Group was mainly due to the following:

- (i) the Group’s total revenue for the Period increased notably by approximately 33.9% to approximately HK\$147,850,000, benefiting from the strong demand for New Zealand radiata pine in China and the increasing production and sales contribution from our Suriname division; and
- (ii) recognition of a non-cash fair value gain on plantation forest assets located in New Zealand of approximately HK\$24,995,000 (2019: HK\$5,407,000) for the Period, reflecting the favorable adjustments on the future market price and demand based on the conditions as at 30 June 2021.

The information contained in this announcement is only based on a preliminary assessment by the Board of the information currently available to it, including the latest unaudited management accounts of the Group prepared by the management of the Company, which have not yet been finalized as at the date of this announcement. Details of the performance of the Group for the Period will be disclosed in the unaudited consolidated interim results announcement of the Company, which is expected to be published before the end of August 2021.

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, 20 August 2021

As at the date hereof, the Board comprises one executive director, namely Mr. Ding Wai Chuen, three non-executive directors, namely Messrs. Cheng Chi-Him Conrad, Tsang On-Yip Patrick and Simon Murray, and three independent non-executive directors, namely Messrs. Wong Man Chung Francis, Cheung Pak To Patrick and To Chun Wai.

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