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GREENHEARTGROUPLIMITED

綠心集團有限公司

(Incorporated in Bermuda with limited liability)

(StockCode:94)

VOLUNTARY ANNOUNCEMENT - COOPERATION FRAMEWORK AGREEMENT IN RESPECT OF A POSSIBLE INVESTMENT

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

COOPERATION FRAMEWORK AGREEMENT

The board (the “**Board**”) of directors (“**Directors**”) of the Company wishes to announce that, on 29 December 2017, a wholly-owned subsidiary of the Company (the “**Investor**”), entered into a cooperation framework agreement (the “**Cooperation Framework Agreement**”) with a company in Jiangxi Province, People’s Republic of China, with its principle business engaged in timber trading, timber port investment and operations, logistics services, and timber industrial park investment, development and management (the “**Target**”) and its two beneficial owners (collectively, the “**Vendors**”) for a possible investment in the Target by the Group at a consideration to be mutually agreed (the “**Proposed Investment**”). Under the Cooperation Framework Agreement, it is intended, among others, that the parties will further discuss on the Proposed Investment, and may enter into a Formal Agreement with the Group on or before the expiry of the Exclusivity Period (as defined below).

Principal Terms of the Cooperation Framework Agreement

Date: 29 December 2017

Parties

- (i) the Investor;
- (ii) the Vendors; and
- (iii) the Target.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors and the Target is independent of and not connected with the Group and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

Consideration

The consideration for the Proposed Investment and the manner of payment shall be further negotiated between the Group and the Vendors and be determined in the Formal Agreement.

Earnest Money

Pursuant to the Cooperation Framework Agreement, the Investor will pay the Vendors a deposit of a sum equivalent to RMB20,000,000 as earnest money (the “**Earnest Money**”) within fifteen (15) business days after the date of entering into the Cooperation Framework Agreement. The Earnest Money shall be applied in accordance with the terms and conditions of the Formal Agreement.

In the event that the Formal Agreement cannot be reached upon the expiry of the Exclusivity Period (as defined below), the Earnest Money will be returned to the Investor within ten (10) business days after the termination of the Cooperation Framework Agreement.

Exclusivity

The Cooperation Framework Agreement shall remain in effect from the date of the Cooperation Framework Agreement to 30 June 2018 (or such later date as agreed by all the parties) (the “**Exclusivity Period**”), during which the Vendors have agreed and undertaken that they shall not directly or indirectly engage any discussion, negotiation or entered into any agreements with any third party in respect of any sale, transfer, pledge, investment or cooperation in share, major business and/or asset of the Target. (except agreements which are entered to arrange working capital for the Target's normal day to day operation, where all parties consent is required).

Formal Agreement

The Investor and the Vendors shall use their best endeavors to procure a legally binding formal agreement in relation to the Proposed Investment (the “**Formal Agreement**”) within the Exclusivity Period.

Due Diligence Review

Pursuant to the Cooperation Framework Agreement, the Investor may conduct due diligence review on, *inter alia*, the legal, financial and business aspects of the Target during the Exclusivity Period.

Termination

The Cooperation Framework Agreement will be terminated at the earlier of (i) the expiry of the Exclusivity Period; or (ii) the date of the execution of the Formal Agreement; or (iii) termination mutually by all the parties in writing.

Legal effect

Save for those provisions relating to the Exclusivity, confidentiality, Earnest Money and the governing law, the provisions of the Cooperation Framework Agreement do not have any legal effect.

REASONS AND BENEFITS FOR ENTERING INTO THE COOPERATION FRAMEWORK AGREEMENT

The Company has been actively looking for opportunities in timber business to maximize return to the Company and the shareholders of the Company (the “**Shareholders**”). The Directors consider that the Proposed Investment, if materialized, would enable the Group to expand and develop its timber business in China which in turn strengthens its revenue sources and accelerates its growth and developments in the near future.

The terms of the Cooperation Framework Agreement were arrived at after arm’s length negotiations between the Investor and the Vendors. The Board considers that the terms of the Cooperation Framework Agreement are on normal commercial terms and fair and reasonable, and if the Proposed Investment materializes, will be in the interests of the Company and the Shareholders as a whole.

The Board wishes to emphasize that no legally binding agreement in relation to the Proposed Investment has been entered into as at the date of this announcement and the Proposed Investment may or may not materialize. Shareholders and potential investors of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Proposed Investment will be made by the Company in the event any Formal Agreement has been signed.

By order of the Board
Greenheart Group Limited
Wu Wai Leung Danny
Chief Executive Officer and
Executive Director

Hong Kong, 4 January 2018

As at the date hereof, the Board comprises two executive Directors, namely Messrs. Wu Wai Leung, Danny and Lim Hoe Pin, 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. Nguyen Van Tu, Peter, Tang Shun Lam, Steven and Wong Man Chung, Francis.

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