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GREENHEART GROUP LIMITED

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 30 January 2018, a wholly-owned subsidiary of the Company (the “**Investor**”), entered into a cooperation framework agreement (the “**Cooperation Framework Agreement**”) with two companies in Gabon, Africa, with their principal business engaged in forest harvesting, timber trading and industrial timber processing (the “**Targets**”) and their beneficial owner (the “**Vendor**”) for a possible acquisition of certain equity interests and/or investment in the Targets 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 (as defined below) with the Group on or before the expiry of the Exclusivity Period (as defined below).

Principal Terms of the Cooperation Framework Agreement

Date: 30 January 2018

Parties

- (i) the Investor;
- (ii) the Vendor; and
- (iii) the Targets.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and the Targets 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 Vendor and be determined in the Formal Agreement.

Earnest Money

Pursuant to the Cooperation Framework Agreement, the Investor will pay the Vendor a deposit of a sum equivalent to RMB10,000,000 as earnest money (the "**Earnest Money**") within ten (10) 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 entered into upon the expiry of the Exclusivity Period (as defined below), the Earnest Money will be returned to the Investor by the Vendor 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 31 July 2018 (or such later date as agreed by all the parties) (the "**Exclusivity Period**"), during which the Vendor and the Targets have agreed and undertaken that each of them 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 Targets.

Formal Agreement

The Investor, the Vendor and the Targets 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 Targets upon signing of the Cooperation Framework Agreement.

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

It is the Company's strategy to actively explore investment opportunities in timber or its related business activities in order to maximize the return to the Company and its shareholders (the "**Shareholders**"). The Directors consider that the Proposed Investment, if materialized, would enable the Group to broaden its sources of wood and allow the Company to extend its reach into Africa, which can help the Group increase the market share in timber industry and grow the revenue and value of its business over time.

The terms of the Cooperation Framework Agreement were arrived at after arm's length negotiations between the Investor and the Vendor. 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, 31 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>