
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, 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 of Greenheart Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the 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.

**GREENHEART GROUP LIMITED****綠心集團有限公司***(Incorporated in Bermuda with limited liability)***(Stock Code: 94)**

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES
AND REPURCHASE BY THE COMPANY OF ITS OWN SHARES;
(2) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT;
(3) BONUS ISSUE;
(4) PROPOSED RE-ELECTION OF DIRECTORS;
AND
(5) NOTICE OF AGM**

A notice convening the AGM of Greenheart Group Limited to be held at Basement 2, Function Room, The Wharney Guang Dong Hotel Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong on Wednesday, 30 May 2018 at 11:00 a.m. is set out on pages 23 to 28 of this circular. A form of proxy for use at the AGM is also enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company at www.greenheartgroup.com.

Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy 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 Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

26 April 2018

CONTENTS

	<i>Page</i>
Definitions	1
Expected Timetable.	4
Letter from the Board.	5
Introduction	5
General Mandate and Repurchase Mandate.	6
Refreshment of Scheme Mandate Limit	7
Bonus Issue	10
Re-election of Directors	14
Action to be taken.	15
Recommendation.	15
General	15
Responsibility statement.	16
Appendix I – Explanatory statement.	17
Appendix II – Details of Directors proposed to be re-elected at the AGM.	20
Notice of AGM.	23

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate, the proposed extension of the General Mandate, the proposed re-election of Directors, the proposed Refreshment of Scheme Mandate Limit and the proposed issue of the Bonus Shares
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bonus Issue”	the proposed issue of the Bonus Shares to the Qualifying Shareholders on the basis of one (1) Bonus Share for every ten (10) existing Shares on the Record Date
“Bonus Share(s)”	the new Share(s) proposed to be issued under the Bonus Issue
“Bye-laws”	the bye-laws of the Company as amended, supplemented or modified from time to time, and “Bye-law” shall mean a bye-law of the Bye-laws
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Greenheart Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Employee(s)”	an employee or executive director holding salaried office or employment with a member of the Group, whether or not the contract of employment is written or oral and comprised in one or more documents and whether full time or part time (except an employee or director who has submitted his resignation to a member of the Group or whose contract of employment has been terminated (summarily dismissed or otherwise) by a member of the Group)

DEFINITIONS

“Eligible Participant(s)”	the individuals or entities who or which may participate in the Share Option Scheme, including any Eligible Employees, non-executive director or independent non-executive director of any member of the Group, shareholders, agents, advisers, consultants, partners, business associates, suppliers or customers of any member of the Group, who in the absolute discretion of the Board have contributed to the Group
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to allot, issue and otherwise deal with additional Shares up to a maximum of 20% of the issued share capital of the Company as at the date of the passing of the proposed resolution at the AGM
“Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	23 April 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Newforest”	Newforest Limited, a company incorporated in the Cayman Islands with limited liability and a substantial shareholder (as defined under the Listing Rules) of the Company, which is interested in 1,020,005,389 Shares, representing approximately 60.49% of the issued share capital of the Company
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Board, after making enquiries, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant foreign regulatory body or stock exchange in that place not to extend the Bonus Issue to them
“Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the Share Option Scheme

DEFINITIONS

“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date (excluding the Non-Qualifying Shareholder(s)), who are entitled to the Bonus Issue
“Record Date”	Thursday, 7 June 2018 being the date for determination of entitlement to the Bonus Shares
“Refreshment of Scheme Mandate Limit”	the proposed refreshment of the Scheme Mandate Limit at the AGM
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to a maximum of 10% of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all Options which initially shall not in aggregate exceed 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the of the issued share capital of the Company as at the date of approval of the refreshed limit by the Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 28 June 2012
“Shareholder(s)”	holder(s) of the Share(s) in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Bonus Issue is set out below:

2018

(Hong Kong time)

Latest time for lodging transfer of Shares for registration in order to qualify for attending the AGM	4:30 p.m. on Thursday, 24 May
Closure of register of members for attending and voting at the AGM	Friday, 25 May to Wednesday, 30 May (both days inclusive)
Latest time for lodging form of proxy for the AGM	11:00 a.m. on Monday, 28 May
Record date for determining entitlement to attend and vote at the AGM	Wednesday, 30 May
AGM	11:00 a.m. on Wednesday, 30 May
Announcement of poll results of the AGM	Wednesday, 30 May
Last day of dealings in the Shares on a cum-entitlement basis	Friday, 1 June
First day of dealings in the Shares on an ex-entitlement basis	Monday, 4 June
Latest time for lodging transfers of Shares for registration in order to qualify for the Bonus Issue	4:30 p.m. on Tuesday, 5 June
Closure of register of members for determining entitlement to the Bonus Shares	Wednesday, 6 June to Thursday, 7 June (both days inclusive)
Record Date for determining entitlement to the Bonus Shares	Thursday, 7 June
Despatch of share certificates for the Bonus Shares	Friday, 15 June
First day of dealings in the Bonus Shares on the Stock Exchange	9:00 a.m. on Tuesday, 19 June

Dates or deadlines specified in the above expected timetable and other parts of this circular may be changed by the Company and in the event of any consequential changes, the Company will make a further announcement.

LETTER FROM THE BOARD



GREENHEART GROUP LIMITED

綠心集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 94)

Executive Directors:

Mr. Wu Wai Leung, Danny

Mr. Lim Hoe Pin

Non-executive Directors:

Mr. Simon Murray

Mr. Cheng Chi-Him, Conrad

Mr. Tsang On-Yip, Patrick

Independent non-executive Directors:

Mr. Nguyen Van Tu, Peter

Mr. Tang Shun Lam, Steven

Mr. Wong Man Chung, Francis

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

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

Suites 1706-10, 17th Floor

Everbright Centre

108 Gloucester Road

Wanchai

Hong Kong

26 April 2018

To the Shareholders

Dear Sir or Madam

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES
AND REPURCHASE BY THE COMPANY OF ITS OWN SHARES;
(2) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT;
(3) BONUS ISSUE;
(4) PROPOSED RE-ELECTION OF DIRECTORS;
AND
(5) NOTICE OF AGM**

INTRODUCTION

At the AGM to be held at Basement 2, Function Room, The Wharney Guang Dong Hotel Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong on Wednesday, 30 May 2018 at 11:00 a.m., resolutions will be proposed, among other matters:

- (a) to grant the General Mandate to the Directors;
- (b) to grant the Repurchase Mandate to the Directors;

LETTER FROM THE BOARD

- (c) to increase the number of Shares to be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate;
- (d) to refresh the Scheme Mandate Limit so that the total number of Shares which may be allotted and issued upon the exercise of all Options to be granted under the Share Option Scheme or any other share option schemes of the Company on or after the date of the AGM will not exceed 10% of the issued share capital of the Company as at the date of passing of the resolutions approving the Refreshment of Scheme Mandate Limit;
- (e) to approve the Bonus Issue; and
- (f) to re-elect Directors.

The purpose of this circular is to provide you with information in relation to the resolutions to be proposed at the AGM for, among other matters, the grant of the General Mandate and the Repurchase Mandate, the extension of the General Mandate, the Refreshment of Scheme Mandate Limit, the Bonus Issue and the re-election of Directors, and to give you the notice of the AGM.

GENERAL MANDATE AND REPURCHASE MANDATE

The General Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 (as amended) of Bermuda or any other applicable law of Bermuda to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

General Mandate

The Company had in issue 1,686,337,506 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot and issue up to a maximum of 337,267,501 Shares, representing 20% of the total number of Shares in issue at the time of the passing of the resolution approving the General Mandate, assuming that no further Shares will be issued or repurchased by the Company prior to the AGM.

The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the Share Option Scheme or any scrip dividend scheme as may be approved by the Shareholders or the Bonus Shares which may be approved by the Shareholders.

LETTER FROM THE BOARD

Repurchase Mandate

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate. The explanatory statement required by the Listing Rules to be included in this circular is set out in Appendix I to this circular.

In addition, an ordinary resolution will be proposed at the AGM to extend the General Mandate by the addition of a number of Shares representing the aggregate issued share capital repurchased under the Repurchase Mandate.

REFRESHMENT OF SCHEME MANDATE LIMIT

The Share Option Scheme

The Share Option Scheme was approved and adopted by the then Shareholders at the special general meeting of the Company held on 28 June 2012 whereby the Directors were authorised to grant Options to the Eligible Participant(s). No other share option scheme was adopted by the Company or any of its subsidiaries. The Scheme Mandate Limit was initially set at 10% of issued share capital of the Company in issue as at the date of adoption of the Share Option Scheme which represents the maximum number of new Shares that may be issued upon the exercise of all Options under the Share Option Scheme.

At the annual general meeting of the Company held on 29 May 2017 (“2017 AGM”), the Company has sought the approval from the Shareholders to refresh the Scheme Mandate Limit such that the maximum number of Shares which may be allotted and issued upon the exercise of the Options under the Share Option Scheme is 148,627,750 Shares, representing 10% of the then issued share capital of the Company at the date of 2017 AGM.

39,763,000 Options have been granted by the Company pursuant to the Share Option Scheme since its adoption, of which 168,000 Options granted were exercised; 600,000 Options were lapsed and no Options were cancelled. As at the Latest Practicable Date, (i) there were a total of 38,995,000 outstanding Options under the Share Option Scheme, representing approximately 2.31% of the issued share capital of the Company; and (ii) the Scheme Mandate Limit available under the Share Option Scheme was 148,627,750 Shares, representing approximately 8.81% of the issued share capital of the Company. Details of the outstanding Options as at the Latest Practicable Date are as follows:

LETTER FROM THE BOARD

Name or category of Eligible Participant	Number of outstanding Options as at the Latest Practicable Date	Exercise period of Options	Vesting Period	Exercise price of Options (HK\$)	Date of grant of Options
<i>Directors</i>					
Wu Wai Leung, Danny	3,700,000	17 Jul 2015 to 16 Jul 2020	N/A	1.23	17 July 2015
	6,400,000	13 Sep 2016 to 12 Sep 2021	N/A	0.78	13 Sep 2016
Lim Hoe Pin	3,000,000	17 Jul 2015 to 16 Jul 2020	N/A	1.23	17 July 2015
	3,000,000	13 Sep 2016 to 12 Sep 2021	N/A	0.78	13 Sep 2016
Cheng Chi-Him, Conrad	2,000,000	17 Jul 2015 to 16 Jul 2020	N/A	1.23	17 July 2015
	3,000,000	13 Sep 2016 to 12 Sep 2021	N/A	0.78	13 Sep 2016
Tsang On-Yip, Patrick	2,000,000	17 Jul 2015 to 16 Jul 2020	N/A	1.23	17 July 2015
	3,000,000	13 Sep 2016 to 12 Sep 2021	N/A	0.78	13 Sep 2016
Simon Murray	1,000,000	13 Sep 2016 to 12 Sep 2021	N/A	0.78	13 Sep 2016
Nguyen Van Tu, Peter	1,000,000	17 Jul 2015 to 16 Jul 2020	N/A	1.23	17 July 2015
	1,000,000	13 Sep 2016 to 12 Sep 2021	N/A	0.78	13 Sep 2016
Tang Shun Lam, Steven	1,000,000	17 Jul 2015 to 16 Jul 2020	N/A	1.23	17 July 2015
	1,000,000	13 Sep 2016 to 12 Sep 2021	N/A	0.78	13 Sep 2016
Wong Man Chung, Francis	1,000,000	17 Jul 2015 to 16 Jul 2020	N/A	1.23	17 July 2015
	1,000,000	13 Sep 2016 to 12 Sep 2021	N/A	0.78	13 Sep 2016
<i>Employees (other than Directors)</i>					
In aggregate	1,895,000	13 Sep 2016 to 12 Sep 2021	Note	0.78	13 Sep 2016
Others	<u>4,000,000</u>	13 Sep 2016 to 12 Sep 2021	N/A	0.78	13 Sep 2016
Total:	<u><u>38,995,000</u></u>				

Note:

The Options are subject to a vesting schedule and can be exercised in the following manner:

- (a) In respect of employees who have joined the Company for more than 2 years as at the date of the grant, all Options granted will be vested on the date of the grant;
- (b) In respect of employees who have joined the Company for less than 2 years but more than 1 year as at the date of the grant, 50% of the Options granted will be vested on the date of the grant and the other 50% will be vested on the first anniversary of the date of the grant. For example, if the date of the grant is 13 September 2016, the other 50% of the Options will be vested on the first anniversary of the date of the grant, i.e. 13 September 2017; and
- (c) In respect of employees who have joined the Company for less than 1 year as at the date of the grant, 50% of the Options granted will be vested on the first anniversary of the date of the grant, and the other 50% will be vested on the second anniversary of the date of the grant. For example, if the date of the grant is 13 September 2016, the other 50% of the Options will be vested on the second anniversary of the date of the grant, i.e. 13 September 2018.

LETTER FROM THE BOARD

The Company has complied with Rule 17.03(4) of the Listing Rules in that the total number of Shares issued and to be issued upon exercise of the Options granted to each grantee in any 12-month period will not exceed 1% of the issued share capital of the Company as at the date of the grant.

The Refreshed Scheme Mandate Limit

Based on 1,686,337,506 Shares in issue as at the Latest Practicable Date and assuming that there will not be any issue or repurchase of Shares prior to the AGM, the current Scheme Mandate Limit is proposed to be refreshed to the extent that the total number of Shares which may be issued upon exercise of all the Options to be granted under the Share Option Scheme will not exceed 168,633,750 Shares, representing 10% of the Shares in issue as at the date of the AGM. Options previously granted under the Share Option Scheme (including but not limited to those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

During the period from the date of the latest refreshment of the Scheme Mandate Limit on 29 May 2017 to the Latest Practicable Date, the Company issued a total of 200,000,000 subscription shares to two subscribers and issued 60,000 new shares to various Option holders. For details, please refer to the announcements of the Company which were published on 3 July 2017, 21 July 2017, 22 August 2017, 28 September 2017 respectively. Accordingly, the total number of issued Shares was increased from 1,486,277,506 as at 29 May 2017 to 1,686,337,506 as at the Latest Practicable Date. In light of the change of the issued share capital of the Company subsequent to 29 May 2017, the Board considers that it is in the interests of the Company and the Shareholders as a whole to refresh the Scheme Mandate Limit in order to provide the Company with greater flexibility in granting Options to the Eligible Participants of the Company under the Share Option Scheme as incentives to reward their contribution or potential contribution to the Company.

As at the Latest Practicable Date, there was no concrete allocation plan or timetable about the grant of further Options in 2018 was in place. However, it is the Company's usual practice to grant Options to Eligible Participants as incentives to, and recognize the contributions of, the Group's employees and other selected grantees. Table below summarised the grant of Options history of the Company in the past five years:

Date of grant	Number of Options granted
13 September 2016	26,063,000
17 July 2015	13,700,000
5 May 2014	17,693,517
11 October 2012	14,710,000

The Company will make further announcement with respect to the details of the grant of Options as and when appropriate.

LETTER FROM THE BOARD

According to above, the Board resolved to put forward a proposal to the Shareholders to refresh the current Scheme Mandate Limit under the Share Option Scheme at the AGM to provide more flexibility to the Board to grant further Options to Eligible Participants under the Share Option Scheme so as to provide opportunities and incentives to them to work towards enhancing the values of the Company and the Shares for the benefit of the Company and the Shareholders as a whole.

The new Shares falling to be issued upon exercise of all of the outstanding Options and any other options granted and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30% of the total issued share capital of the Company from time to time.

Conditions of the Refreshment of Scheme Mandate Limit

The Refreshment of Scheme Mandate Limit is conditional upon:

- (i) the passing of the necessary ordinary resolution by the Shareholders at the AGM to approve the Refreshment of Scheme Mandate Limit; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of Options to be granted under the refreshed Scheme Mandate Limit.

BONUS ISSUE

As stated in the Company's announcement dated 27 March 2018 relating to the audited consolidated results of the Group for the year ended 31 December 2017, amongst other matters, the Board has resolved to recommend the Bonus Issue on the basis of one (1) Bonus Share for every ten (10) existing Shares held by the Qualifying Shareholders on the Record Date.

The Bonus Shares will be allotted and issued, credited as fully paid-up, by way of capitalisation of an amount equal to the aggregate nominal amount of the Bonus Shares amounting to HK\$16,863,375.06 (based on the total number of issued Shares as at the Latest Practicable Date) standing to the credit of the retained earnings account of the Company.

The Bonus Shares, when issued, will rank pari passu in all respects with the then existing Shares in issue, including the entitlement to receiving all future dividends and distributions which are declared on or after the date of allotment and issue of Bonus Shares. The Bonus Issue is non-renounceable. Fractional entitlements to the Bonus Shares will not be allotted to the Shareholders. The Bonus Shares representing fractional entitlements will be aggregated and sold and the sale proceeds, after deduction of the related expenses, will be retained by and for the benefit of the Company. For administration's sake and in view of the expected small cash amounts involved, the Company would not consider distributing cash in lieu of fractional entitlements to the Bonus Shares to any individual Shareholders.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there were a total of 1,686,337,506 Shares in issue. Assuming that there will be no change in the number of Shares in issue from the Latest Practicable Date up to and including the Record Date, a maximum of 168,633,750 Bonus Shares will be issued under the Bonus Issue.

Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

- (i) the approval of Bonus Issue by the Shareholders at the AGM;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of the Bermuda and the Bye-laws to effect the Bonus Issue.

Reasons and Benefits for the Bonus Issue

Although the Company's share price in the previous year has been relatively stable while the daily turnover had substantial fluctuation, the Board is of the view that, as a result of the Bonus Issue, the fact that the number of Shares in issue will increase and the theoretically reduced share price may enable more investors who are interested in the Company to buy the Shares on the Stock Exchange. Accordingly, the Bonus Issue may improve the liquidity of the Shares and broaden the Company's shareholder base. Though as a result of the Bonus Issue, the share price of the Company will be theoretically reduced but the Shareholders' interests in the Company and the value of their shareholdings will remain the same. The Bonus Issue will increase the number of Shares to be held by the Shareholders without incurring any significant cost. Further, the pro-rata increase in the Shares of the existing Shareholders and the consequential reduced price per Share also means that the Shareholders are given more flexibility in managing their investment portfolios by having the opportunity to sell the Bonus Shares to recognize a capital gain under favourable market condition or choosing to hold the Bonus Shares to receive more cash dividend in future. Accordingly, despite the basic transaction costs for a securities trade and the current low board lot value of the Company, the Company is of the view that the Bonus Issue will be fair and reasonable to the Shareholders. Based on the closing price of HK\$1.03 per Share as at the Latest Practicable Date, the theoretical price per Share is expected to be HK\$0.94 after the Bonus Issue has taken place, and the board lot of 2,000 Shares is expected to decrease from HK\$2,060 as at the Latest Practicable Date to HK\$1,880 after the Bonus Issue has taken place. According to the current market price of the Company, the Company's current board lot value may be slightly lower than HK\$2,000 as the share prices will be adjusted downwards after the ex-entitlement date, however, the Company is of the view that the Bonus Issue can enhance the liquidity of the Shares in the market. Therefore, it is difficult to predict at this moment whether the share price of the Company could be strengthened in near future and therefore maintain the practice of requiring a minimum board lot size of HK\$2,000. The board lot value of the Company has been lower than HK\$2,000 since 5 January 2018. However, the share price of the Company has been strengthened recently and the board lot value of the Company has been higher than HK\$2,000 since 10 April 2018. The Company will monitor the share price and market movement after the Bonus Issue and may consider to change the board lot size to maintain the practice of requiring a minimum board lot size of HK\$2,000 should the board lot size is lower than HK\$2,000 for a substantial period of time.

LETTER FROM THE BOARD

As illustrated above, the Bonus Issue will increase the number of Shares to be held by the Shareholders, reduce the share price and reduce the trading price of each board lot. Accordingly, the Board expects that the Bonus Issue would enhance the liquidity of the Shares in the market and help to attract more investors to broaden the shareholder base of the Company.

The Company understands that the Bonus Issue is expected to result in odd lots and there is a possibility that the odd lots will be traded at lower than the market price, the Company is of the view that obtaining of the odd lots will be in the interest of the Shareholders because our Shareholders may find it easier to sell the Shares in smaller numbers as odd lots could be the preferred method of purchase for some investors because it allows them to purchase small amounts of the stock and they can base their purchase on a set dollar amount rather than on multiples of the full board lot. Also, for our Shareholders being a long-term investor, odd lots could still contribute to dividend collection as well. In case any shareholder does not want to hold odd lots, the Shareholder may choose to sell a portion of his Shares before the ex-entitlement date, and buy them back at a lower price on the ex-entitlement date. In this case, the shareholder still own the same number of Shares, and could see the price difference (before and after the ex-entitlements) as dividends received.

The Board considers that issuing Bonus Shares by way of capitalisation is more efficient in terms of cost and procedures in achieving the purpose of enhancing the liquidity of the Shares in the market and maintains the practice of requiring a minimum board lot size of HK\$2,000 as compared with other alternative actions. As mentioned hereinabove, change in board lot size will not increase the number of Shares while sub-division of Shares will alter the share capital of the Company and the Company's bye-law is required to be amended accordingly upon the share subdivision becoming effective, which involve more administrative procedure and incur higher expenses. After considered the above factors, the Company is of the view that the Bonus Issue can fulfill the purpose of increasing the total number of issued Shares by involving lesser administrative procedures, incurring lesser expenses and Bonus Issue could potentially improve the trading liquidity of the Shares which will be beneficial to the Company and the Shareholders as a whole.

Record dates and closure of register of members of the Company

To determine the Shareholders' entitlement to the Bonus Shares, the register of members of the Company will be closed from 6 June 2018 to 7 June 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed Bonus Shares, all completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 5 June 2018.

Listing, dealings and share certificates for the Bonus Shares

Application has been made to the Listing Committee for the listing of, and the permission to deal in, the Bonus Shares. The Shares are not listed nor dealt in on any stock exchange other than the Stock Exchange. The Directors do not intend to apply for the listing of, or the permission to deal in, the Bonus Shares on any stock exchange other than the Stock Exchange.

LETTER FROM THE BOARD

Subject to the fulfilment of the conditions as set out in the paragraph headed “Conditions of the Bonus Issue” above, which include the granting of the listing of, and the permission to deal in, the Bonus Shares on the Stock Exchange, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS. Shareholders should seek the advice of their licensed securities dealers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests. All necessary arrangements will be made for the Bonus Shares to be admitted to the CCASS. All activities under the CCASS are subject to the general rules and the operational procedures of the CCASS in effect from time to time.

It is expected that share certificates for the Bonus Shares will be posted by ordinary post on or before Friday, 15 June 2018 after all the conditions of the Bonus Issue have been fulfilled at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. In the case of a joint holding, the share certificates for the Bonus Shares will be posted to the address of the person whose name stands first on the register of members of the Company on the Record Date. Dealings in the Bonus Shares on the Stock Exchange are expected to commence on Tuesday, 19 June 2018.

Stamp duty in Hong Kong will be payable in respect of dealings in the Bonus Shares.

Overseas Shareholders

The Company will make enquiry regarding the legal restrictions under the laws of the relevant regulatory body or stock exchange pursuant to Rule 13.36(2)(a) of the Listing Rules and, if necessary, seek legal advice(s) from overseas counsel(s) on the applicable procedural requirements for extending the Bonus Issue to the Overseas Shareholders. Upon such enquiry, if the Board is of the view that the exclusion of the Overseas Shareholders is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Bonus Shares will not be issued to those Overseas Shareholders, i.e. the Non-Qualifying Shareholders and the Company will issue an announcement regarding such decision as soon as practicable after the Record Date. In such circumstances, arrangements will be made for the Bonus Shares, which would otherwise have been issued to the Non-Qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any net proceeds of sale, after deduction of the related expenses, will be distributed in Hong Kong dollars to the Non-Qualifying Shareholders, if any, pro-rata to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

As at the Latest Practicable Date, there were a total of ten Overseas Shareholder(s) whose registered addresses as shown on the register of members of the Company are located at Malaysia, Canada, England, British Virgin Islands, U.S.A., Cayman Islands, Macau, Spain, Australia and Singapore, respectively. The Company has made enquiries with legal advisers of such relevant jurisdiction as to whether it is lawful or practicable to offer the Bonus Shares to such Shareholder(s) in such place. According to the preliminary views of the overseas legal advisers, there is no restriction that prevents the issuance of Bonus Shares to such Shareholder.

LETTER FROM THE BOARD

Notwithstanding the enquiries made by the Company with its legal advisers, any Shareholder with a registered address outside Hong Kong or otherwise residing outside Hong Kong should consult their professional advisers as to whether they are permitted to receive the Bonus Shares under the Bonus Issue and the taxation consequences of their decision. It is the responsibility of the Shareholders who wish to receive the Bonus Shares under the Bonus Issue to comply with the laws of the relevant jurisdiction(s).

Adjustments to outstanding Share Options

As at the Latest Practicable Date, there were a total of 38,995,000 Options outstanding. The Bonus Issue may lead to adjustments to the exercise price and the number of Shares which may fall to be issued upon exercise of the outstanding Options. Other than the outstanding Options, the Company does not have any warrants, options, or other securities exchangeable or convertible into Shares as at the Latest Practicable Date. The Company will make further announcement upon the aforesaid adjustments to the Options, if any adjustment is required to be made.

Assuming that there will not be any issue or repurchase of Shares prior to the AGM, the exercise prices of the Options and the number of Shares to be allotted and issued upon full exercise of the subscription rights attaching to the outstanding Options are adjusted in the following manner as a result of the Bonus Issue:

Date of grant	Immediately before the completion of the Bonus Issue		Immediately after the completion of the Bonus Issue	
	Number of Options outstanding	Exercise price of each Option (HK\$)	Adjusted number of Options outstanding	Adjusted exercise price of each Option (HK\$)
17 July 2015	13,700,000	1.23	15,070,000	1.12
13 Sep 2016	25,295,000	0.78	27,824,500	0.71

The Company will make further announcement upon the aforesaid adjustments to the Options, if any adjustment is required to be made.

RE-ELECTION OF DIRECTORS

In accordance with the Bye-laws, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to one-third, shall retire from office by rotation at every annual general meeting of the Company provided that the Chairman and the Managing Director shall not be subject to retirement by rotation or be taken into account in determining the number of Directors to retire each year. A retiring Director shall be eligible for re-election.

At the AGM, an ordinary resolution will be proposed to re-elect each of Mr. Tsang On-Yip, Patrick as non-executive Director and Mr. Nguyen Van Tu, Peter and Mr. Wong Man Chung, Francis as independent non-executive Director.

LETTER FROM THE BOARD

Although Mr. Wong Man Chung, Francis (“Mr. Wong”) is currently an independent non-executive directors of nine listed companies in Hong Kong, throughout Mr. Wong’s directorship with the Company, Mr. Wong has actively participated in board meetings and other committee meetings to give impartial advice and valuable guidance. During the year 2017, Mr. Wong has attended all board, committee and general meetings. Taking into account that Mr. Wong has given sufficient time and attention to the affairs of the Group and has the required character, integrity and experience to continue fulfilling the role of an independent non-executive director and the chairman of the audit committee of the Company, the nomination committee of the Company has therefore recommended to the Board that Mr. Wong be re-elected as an independent non-executive Director of the Company. With his valuable guidance and contribution made to the Company over the years, and his extensive experience and understanding of the operation and business of the Company, the Board believes that the re-election of Mr. Wong as independent non-executive Director of the Company is in the best interests of the Company and the Shareholders as a whole and thus recommends him for re-election at the AGM.

Particulars relating to Mr. Tsang On-Yip, Patrick, Mr. Nguyen Van Tu, Peter and Mr. Wong Man Chung, Francis are set out in Appendix II to this circular.

ACTION TO BE TAKEN

Whether or not you intend to attend the AGM, you are requested to complete the accompanying form of proxy 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 Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or adjournment thereof in person if you so wish.

All the resolutions proposed to be approved at the AGM will be taken by poll (except where a resolution relates purely to a procedural or administrative matter which may be voted on by a show of hands) and an announcement will be made by the Company after the AGM on the results of the AGM.

RECOMMENDATION

The Directors believe that the proposed grant of the General Mandate and the Repurchase Mandate, the proposed extension of the General Mandate, the proposed Refreshment of Scheme Mandate Limit, the Bonus Issue and the proposed re-election of Directors are in the best interests of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

GENERAL

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

LETTER FROM THE BOARD

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.

Yours faithfully
For and on behalf of the Board of
Greenheart Group Limited
Wu Wai Leung, Danny
Chief Executive Officer and Executive Director

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. Repurchase of securities from connected parties

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “core connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective close associates and a core connected person is prohibited from knowingly selling his/her/its securities to the Company, on the Stock Exchange.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any of the Shares held by him/her/it to the Company, in the event that the Repurchase Mandate is approved by the Shareholders.

2. Share capital

The Shares proposed to be repurchased by the Company must be fully paid up. As at the Latest Practicable Date, the total issued share capital of the Company comprised 1,686,337,506 fully paid Shares. Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and assuming that no further Shares are to be issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 168,633,750 fully paid Shares, representing 10% of the total number of Shares in issue at the time of passing of the resolution approving the Repurchase Mandate.

3. Reasons for the repurchase

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the Company’s net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

4. Funding of repurchases

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under Bermuda law and the memorandum of association of the Company and the Bye-laws for such purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and/or gearing position of the Company as compared with the position as at 31 December 2017 disclosed in its latest published audited consolidated accounts. The Directors do not, however, intend to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse impact on the working capital or gearing position of the Company.

5. Share prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2017		
April	1.27	0.86
May	1.23	1.04
June	1.25	0.95
July	1.06	0.89
August	0.94	0.78
September	1.24	0.84
October	1.10	0.88
November	1.14	0.91
December	1.08	0.90
2018		
January	1.02	0.92
February	0.98	0.86
March	0.92	0.82
April (up to the Latest Practicable Date)	1.06	0.89

6. Disclosure of interests and minimum public holding

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates has any present intention to sell to the Company or its subsidiaries any of the Shares in the event that the Repurchase Mandate is approved by the Shareholders at the AGM.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the exercise of the powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory general offer to all other Shareholders in accordance with Rules 26 of the Takeovers Code.

According to the information available to the Company, as at the Latest Practicable Date, Newforest and its wholly-owned subsidiary held 1,020,005,389 Shares, representing approximately 60.49% of the voting rights in general meetings of the Company.

Unless the voting rights held by Newforest and its wholly-owned subsidiary fall below 50%, an exercise of the Repurchase Mandate by the Directors will not result in Newforest or any parties acting in concert with it becoming obliged to make a mandatory general offer under Rule 26 of the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in Newforest or any parties acting in concert with it becoming obliged to make a mandatory general offer under the Takeovers Code. Save as disclosed above, the Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate. The Directors have no intention to exercise the Repurchase Mandate to an extent that such exercise would result in the public float falling below 25% of the total issued share capital of the Company.

7. Shares repurchases made by the Company

Neither the Company nor any of its subsidiaries has repurchased any of the Company's listed securities during the six months immediately prior to the Latest Practicable Date.

The details of the Directors who will retire from office at the AGM and, being eligible, offer themselves for re-election at the AGM, are set out below:

Mr. Tsang On-Yip, Patrick – Non-executive Director

Mr. Tsang On-Yip, Patrick, aged 46, has been a non-executive Director of the Company since 4 June 2015. Mr. Tsang is a member of the audit committee and remuneration committee of the Company. Mr. Tsang obtained a Bachelor's degree in Economics from Columbia College of Columbia University in New York, the United States of America and has over 20 years of international capital markets experience.

Mr. Tsang is currently a director of Cheng Yu Tung Foundation Limited and Chow Tai Fook Enterprises Limited. He was appointed as a non-executive director of Integrated Waste Solutions Group Holdings Limited (formerly known as "Fook Woo Group Holdings Limited") (stock code: 923) in November 2012, a non-executive director of i-CABLE Communications Limited (stock code: 1097) in September 2017, an executive director of Melbourne Enterprises Limited (stock code: 158) in April 2015 and an executive director of UMP Healthcare Holdings Limited (stock code: 722) in August 2015, all being listed public companies in Hong Kong.

Save as disclosed above, Mr. Tsang did not act as director in any other listed public company in the last three years preceding the Latest Practicable Date.

Mr. Tsang is the cousin-in-law of Mr. Cheng Chi-Him, Conrad, who is the Chairman of the Board and a non-executive Director of the Company. Save as disclosed above, Mr. Tsang does not have any relationships with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Tsang held the share options granted by the Company to subscribe for 5,000,000 Shares within the meaning of Part XV of the SFO. Save as disclosed above, as at the Latest Practicable Date, Mr. Tsang was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Mr. Tsang is appointed for a specific term for three years and subject to retirement and re-election in accordance with the Bye-laws. During the year of 2017, Mr. Tsang received from the Company an annual remuneration of HK\$240,000. The emoluments of Mr. Tsang are determined by the Board upon recommendation by the remuneration committee of the Company with reference to the number of board meetings, board committees' meetings and general meetings of the Company attended by him.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information that should be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules.

Mr. Nguyen Van Tu, Peter – Independent Non-executive Director

Mr. Nguyen Van Tu, Peter, aged 74, has been an independent non-executive Director of the Company since 2 July 2015. Mr. Nguyen is the chairman of the nomination committee and a member of the remuneration committee and audit committee of the Company. Mr. Nguyen is a senior counsel and was called to the Bar in England by the Honourable Society of the Middle Temple in 1970. He was an assistant crown counsel and crown counsel in the Legal Department of Hong Kong during the period from August 1970 to November 1974 and was in private practice as a barrister in Hong Kong subsequently for approximately twenty years. Mr. Nguyen was appointed as director of Public Prosecutions in the Legal Department of Hong Kong during the period from July 1994 to October 1997 and was the first Chinese to hold such position. Mr. Nguyen became a Queen's Counsel in 1995 and was appointed as the Judge of the Court of First Instance of the High Court, Hong Kong from February 1998 to April 2009.

Currently, Mr. Nguyen is an independent non-executive director of Integrated Waste Solutions Group Holdings Limited (stock code: 923), Goldlion Holdings Limited (stock code: 533), Combest Holdings Limited (stock code: 8190) and Pacific Andes International Holdings Limited (stock code: 1174), all being listed public companies in Hong Kong. Mr. Nguyen was formerly an independent non-executive director of IPE Group Limited (stock code: 929) and Mayer Holdings Limited (stock code: 1116), both being listed public companies in Hong Kong.

Save as disclosed above, Mr. Nguyen did not act as director in any other listed public company in the last three years preceding the Latest Practicable Date.

Mr. Nguyen does not have any relationships with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Nguyen held the share options granted by the Company to subscribe for 2,000,000 Shares within the meaning of Part XV of the SFO. Save as disclosed above, as at the Latest Practicable Date, Mr. Nguyen was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Mr. Nguyen is appointed for a specific term for three years and subject to retirement and re-election in accordance with the Bye-laws. During the year of 2017, Mr. Nguyen received from the Company an annual remuneration of HK\$240,000. The emoluments of Mr. Nguyen are determined by the Board upon recommendation by the remuneration committee of the Company with reference to the number of board meetings, board committees' meetings and general meetings of the Company attended by him.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information that should be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules.

Mr. Wong Man Chung, Francis - Independent non-executive Director

Mr. Wong Man Chung, Francis, aged 53, has been an independent non-executive Director of the Company since 2 July 2015. Mr. Wong is the chairman of the audit committee and a member of the remuneration committee and the nomination committee of the Company. Mr. Wong holds a Master Degree in Management conferred by Guangzhou Jinan University, the People's Republic of China. He is a fellow member of the Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants of the United Kingdom, the Hong Kong Institute of Certified Public Accountants and the Society of Chinese Accountants and Auditors and a Certified Tax Advisor of the Taxation Institute of Hong Kong. He is a Certified Public Accountant (Practising) and has over 25 years of experience in auditing, taxation, corporate internal control and governance, acquisition and financial advisory, corporate restructuring and liquidation, family trust and wealth management.

Previously, Mr. Wong worked for KPMG, an international accounting firm, for 6 years and the Hong Kong Securities Clearing Company Limited for 2 years. Mr. Wong is currently an independent non-executive director of Integrated Waste Solutions Group Holdings Limited (stock code: 923), China Oriental Group Company Limited (stock code: 581), Digital China Holdings Limited (stock code: 861), Wai Kee Holdings Limited (stock code: 610), GCL-Poly Energy Holdings Limited (stock code: 3800), Hilong Holding Limited (stock code: 1623), Kunming Dianchi Water Treatment Co., Ltd (stock code: 3768) and China New Higher Education Group Limited (stock code: 2001), all being listed public companies in Hong Kong.

Save as disclosed above, Mr. Wong did not act as director in any other listed public company in the last three years preceding the Latest Practicable Date.

Mr. Wong does not have any relationships with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Wong held the share options granted by the Company to subscribe for 2,000,000 Shares within the meaning of Part XV of the SFO. Save as disclosed above, as at the Latest Practicable Date, Mr. Wong was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Mr. Wong is appointed for a specific term for three years and subject to retirement and re-election in accordance with the Bye-laws. During the year of 2017, Mr. Wong received from the Company an annual remuneration of HK\$240,000. The emoluments of Mr. Wong are determined by the Board upon recommendation by the remuneration committee of the Company with reference to the number of board meetings, board committees' meetings and general meetings of the Company attended by him.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information that should be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



GREENHEART GROUP LIMITED

綠心集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 94)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting 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 Wednesday, 30 May 2018 at 11:00 a.m. to transact the following ordinary business:

1. to receive and approve the audited consolidated financial statements for the Company and its subsidiaries and reports of the directors of the Company (the “**Directors**”) and auditors of the Company for the year ended 31 December 2017;
2. to re-elect Mr. Tsang On-Yip, Patrick as a non-executive Director;
3. to re-elect Mr. Nguyen Van Tu, Peter as an independent non-executive Director;
4. to re-elect Mr. Wong Man Chung, Francis as an independent non-executive Director;
5. to authorise the board of Directors to fix the Directors’ remuneration;
6. to re-appoint auditors and to authorise the board of Directors to fix their remuneration;

and, as special business, to consider and, if thought fit, passing the following resolutions (with or without amendments) as ordinary resolutions of the Company:

7. “**THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares of the Company (“**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company, the Companies Act 1981 (as amended) of Bermuda (the “**Companies Act**”) or any other applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

8. **“THAT:**

- (a) the exercise by the Directors during the Relevant Period of all powers of the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company, the Companies Act or any other applicable law of Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this resolution.”

9. **“THAT** subject to the ordinary resolutions nos.7 and 8 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with unissued Shares pursuant to resolution no.7 above be and is hereby extended by the addition thereon of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company subsequent to the passing of this resolution, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued Shares on the date of the passing of resolution no.8.”

NOTICE OF ANNUAL GENERAL MEETING

10. “**THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of options to be granted under the Refreshed Scheme Mandate Limit (as defined below):
- (a) the existing limit on the grant of options under the share option scheme of the Company adopted on 28 June 2012 (“**Share Option Scheme**”) be and is hereby refreshed so that the total number of Shares to be allotted and issued upon exercise of any options to be granted under the Share Option Scheme and any other share option scheme of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme) shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution (the “**Refreshed Scheme Mandate Limit**”); and
 - (b) the Directors be and are hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable as they consider necessary or expedient to give effect to the foregoing arrangement.”
11. “**THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange the listing of, and permission to deal in, the Bonus Shares (as defined in paragraph (a) of this resolution below) to be issued pursuant to this resolution:
- (a) upon the recommendation of the Directors, an amount standing to the credit of the retained earnings account of the Company as would be required to be applied in paying up in full at par new Shares, such Shares, credited as fully paid, to be allotted and issued (subject as referred to in paragraph (b) below) among Shareholders whose names appear on the register of members of the Company (the “Register of Members”) on Thursday, 7 June 2018 (the “Record Date”), except those Shareholders whose addresses as shown on the Register of Members at the close of business on the Record Date are in a jurisdiction outside Hong Kong and in respect of whom the Board considers the exclusion from the Bonus Issue (as defined below) to be necessary or expedient after making enquiry as required under the Rules Governing the Listing of Securities on the Stock Exchange (the “Non-Qualifying Shareholders”), in the proportion of one (1) new Share (the “Bonus Share”) for every ten (10) existing Shares then held, be capitalised and applied in such manner and the Directors be and are hereby authorised to allot and issue such Bonus Shares (the “Bonus Issue”);

NOTICE OF ANNUAL GENERAL MEETING

- (b) no fractional Bonus Shares shall be allotted and issued to members of the Company and fractional entitlements (if any) will be aggregated and sold and the benefit accrued for the Company;
- (c) the Bonus Shares to be issued pursuant to paragraph (a) above shall be subject to the Bye-laws and shall rank *pari passu* in all respects with the existing issued and unissued Shares as at the date of issue of such Bonus Shares except that they will not be entitled to rank for the Bonus Issue;
- (d) the Directors be and are hereby authorised to arrange for the Bonus Shares which would otherwise have been issued to the Non-Qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences, and distribute the net proceeds of sale, after deduction of the related expenses, in Hong Kong dollars to the Non-Qualifying Shareholders, if any, pro-rata to their respective shareholdings and to post to them the remittances therefor at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case the Board be and is hereby authorised to retain such amount for the benefit of the Company; and
- (e) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares referred to in paragraph (a) of this resolution, including but not limited to determining the amount to be capitalised out of the retained earnings account and the number of Bonus Shares to be allotted and distributed in the manner referred to in paragraph (a) of this resolution.”

By order of the Board
Greenheart Group Limited
Wu Wai Leung, Danny

Chief Executive Officer and Executive Director

Hong Kong, 26 April 2018

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

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

Suites 1706-10, 17th Floor
Everbright Centre
108 Gloucester Road
Wanchai
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the meeting 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 member of the Company.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).
3. Completion and return of the form of proxy will not preclude members from attending and voting at the annual general meeting or any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form 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 meeting, 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 meeting or any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. In relation to proposed resolutions nos.7 and 9 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The Directors have no immediate plans to issue any Shares other than the Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme as may be approved by shareholders.
6. In relation to proposed resolution no.8 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the circular dated 26 April 2018 of which this notice forms part.

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.