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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 - FRAMEWORK AGREEMENT IN RESPECT OF THE PROPOSED SURINAME SAWMILL RESTRUCTURING

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

FRAMEWORK AGREEMENT

The board (the “**Board**”) of directors (“**Directors**”) of the Company wishes to announce that, on 17 April 2018, two subsidiaries of the Company (the “**Transferors**”), entered into a framework agreement (the “**Agreement**”) with an independent third party (the “**Transferee**”), pursuant to which the Group intended to restructure its sawmill operations in west Suriname through transferring (i) the entire issued share capital of two indirect-subsiidiaries which are incorporated in Suriname (the “**Suriname Companies**”) and operating sawmills and related bio-energy plant in west Suriname and (ii) shareholders’ loans from the Transferors in the Suriname Companies to the Transferee at a consideration to be mutually agreed (the “**Proposed Suriname Sawmill Restructuring**”). Under the Agreement, it is intended, among others, that the parties will further discuss on the conditions and terms in relation to the Proposed Suriname Sawmill Restructuring, 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).

The consideration for the Proposed Suriname Sawmill Restructuring shall be further negotiated between the Group and the Transferee and be determined in the Formal Agreement.

The manner of payment of the consideration for the Proposed Suriname Sawmill Restructuring payable to the Transferors by the Transferee shall be satisfied by way of issue of bonds by the Transferee upon the completion.

The Agreement shall remain in effect within three months from the date of the Agreement (or such later date as agreed by all the parties) (the “**Exclusivity Period**”), during which the Transferors 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 Suriname Companies.

The Transferors and the Transferee shall use their best endeavors to procure a legally binding formal agreement in relation to the Proposed Suriname Sawmill Restructuring (the “**Formal Agreement**”) within the Exclusivity Period.

Pursuant to the Agreement, the Transferee may conduct due diligence review on the Suriname Companies upon signing of the Agreement.

The 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.

Save for those provisions relating to the Exclusivity Period, confidentiality, expenses and the governing law, the provisions of the Agreement do not have any legal effect.

REASONS AND BENEFITS FOR ENTERING INTO THE AGREEMENT

The Group is committed to look for business and investment and/or development opportunities so as to enable it to achieve the goal of improving efficiency of its operations, carrying out sustainable development and diversifying business and revenue sources, thereby enhancing the Group’s overall development. The Directors expected that the Proposed Suriname Sawmill Restructuring will speed up the turnaround of the overall business performance of Suriname division and the Group.

The terms of the Agreement were arrived at after arm’s length negotiations between the Transferors and the Transferee. The Board considers that the terms of the Agreement are on normal commercial terms and fair and reasonable, and if the Proposed Restructuring materializes, will be in the interests of the Company and its shareholders as a whole.

The Board wishes to emphasize that no legally binding agreement in relation to the Proposed Suriname Sawmill Restructuring has been entered into as at the date of this announcement and the Proposed Suriname Sawmill Restructuring 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 Suriname Sawmill Restructuring will be made by the Company in the event any Formal Agreement has been entered into.

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

Hong Kong, 17 April 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>