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GREENHEART GROUP LIMITED

綠森集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 94)

ANNOUNCEMENT

MONTHLY UPDATE ON THE POSSIBLE TRANSACTION PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

UPDATE ON THE NUMBER OF RELEVANT SECURITIES OF THE COMPANY PURSUANT TO RULE 3.8 OF THE TAKEOVERS CODE

This announcement is made by Greenheart Group Limited (“**Company**”) pursuant to Rule 3.7 of The Hong Kong Code on Takeovers and Mergers (“**Takeovers Code**”).

Reference is made to the announcements of the Company dated 17 June 2014, 16 July 2014, 15 August 2014 and 15 September 2014 in relation to the Possible Transaction (“**Previous Announcements**”). Unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the Previous Announcements.

The Board wishes to update the Shareholders and potential investors that, as advised by Emerald (which, through its wholly-owned subsidiary Sino-Capital, owns approximately 62.82% of the existing issued share capital of the Company as at the date of this announcement), since the publication of the announcement of the Company dated 17 June 2014 and up to the date of this announcement, Emerald has received a number of non-binding indicative bids from certain Potential Investors for its debt and equity interests in the Company and/or its affiliates, and is currently considering the terms on which it may progress to the Possible Transaction. No formal or legally binding agreement has been entered into between Emerald or Sino-Capital and any of such Potential Investors in respect of the Possible Transaction.

Further announcement(s) setting out the progress of the Possible Transaction will be made as and when necessary in accordance with the Listing Rules and the Takeovers Code and on a monthly basis until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the Possible Transaction is made.

UPDATE ON THE NUMBER OF RELEVANT SECURITIES OF THE COMPANY

After the announcement of the Company dated 15 August 2014 and as of 15 October 2014, 157,978 share options have lapsed in accordance with the terms of the share option scheme adopted by the Company on 28 June 2012. As a result of the lapse of share options as described above, as at the date of this announcement, the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue comprise (i) 789,889,104 Shares of HK\$0.01 each; (ii) 17,488,145 outstanding share options; and (iii) convertible notes held by Greater Sino Holdings Limited in the principal amount of US\$17,000,000 (equivalent to approximately HK\$132,600,000) which may be converted into 66,012,987 Shares at the conversion price of HK\$2.002 per Share (subject to adjustments pursuant to the terms and conditions of such convertible notes). Save for the aforesaid, the Company has no other relevant securities as at the date hereof.

The associates (within the meaning ascribed thereto under the Takeovers Code, including but not limited to any person holding 5% or more of a class of relevant securities of the Company) of the Company are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries.

Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.

There is no assurance that any transaction mentioned in this announcement will materialize or eventually be consummated and the discussions may or may not lead to a general offer. Shareholders and potential investors of the Company are urged to exercise extreme caution when dealing in the Shares and/or other securities of the Company.

By Order of the Board
Greenheart Group Limited
Paul Jeremy Brough
*Interim Chief Executive Officer and
Executive Director*

Hong Kong, 15 October 2014

As at the date hereof, the Board comprises two executive Directors, namely Messrs. Paul Jeremy Brough and Hui Tung Wah, Samuel, three non-executive Directors, namely Messrs. Wang Tong Sai, Eddie, Simon Murray and Colin Denis Keogh, and three independent non-executive Directors, namely Messrs. Wong Che Keung, Richard, Tong Yee Yung, Joseph and Wong Kin Chi.

All Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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

**For identification purposes only*