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**POWER HERITAGE GROUP  
LIMITED**

*(Incorporated in the British Virgin Islands with  
limited liability)*

**JIANGNAN GROUP LIMITED**  
江南集團有限公司

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 1366)**

**JOINT ANNOUNCEMENT**

**(1) PROPOSAL FOR THE PRIVATISATION OF  
JIANGNAN GROUP LIMITED  
BY POWER HERITAGE GROUP LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 86 OF THE COMPANIES ACT)**

**(2) PROPOSED WITHDRAWAL OF LISTING OF  
JIANGNAN GROUP LIMITED**

**(3) SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENT**

**IRREVOCABLE UNDERTAKING BY THE IU SHAREHOLDERS  
TO APPROVE THE PROPOSAL AND THE SCHEME**

**Financial Adviser to the Offeror**



**Independent Financial Adviser to the Independent Board Committee**



Reference is made to the announcement jointly published by Power Heritage Group Limited (the “**Offeror**”) and Jiangnan Group Limited (the “**Company**”) dated 21 February 2023 (the “**Joint Announcement**”) in relation to, among other things, the proposal for the privatisation of the Company by the Offeror by way of a scheme of arrangement under section 86 of the Companies Act. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

On 22 March 2023, the Offeror received an irrevocable undertaking (the “**Irrevocable Undertaking**”) from Mr. JIANG Shu and Ms. JIANG Qin (collectively, the “**IU Shareholders**”). As at the date of this announcement, Mr. JIANG Shu holds 329,134,000 Shares, representing approximately 5.38% of the issued share capital of the Company. Ms. JIANG Qin, by virtue of being the spouse of Mr. JIANG Shu, is deemed to be interested in the 329,134,000 Shares held by Mr. JIANG Shu under the SFO.

Pursuant to the Irrevocable Undertaking, each of the IU Shareholders has irrevocably undertaken to exercise or procure the exercise of the voting rights attached to all of the Shares held by him/her (the “**IU Shares**”) (i) to vote in favour of the Scheme at the Court Meeting; (ii) to vote in favour of the resolutions at the extraordinary general meeting of the Company (the “**EGM**”) to (a) approve and give effect to the reduction of the share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares, and the contemporaneous maintenance of the issued share capital of the Company at the amount prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror (the “**Reduction**”), and (b) approve the Rollover Arrangement; and (iii) to vote in favour of any resolutions proposed at the Court Meeting and the EGM to assist with the implementation of the Scheme or which are necessary for the Scheme to become effective, in accordance with the terms and conditions set out in the Scheme Document.

Each of the IU Shareholders has also irrevocably undertaken that he/she shall not, and shall procure that the relevant registered holder of the IU Shares shall not, on or before the Effective Date, and other than in connection with the Scheme or pursuant to the Irrevocable Undertaking, sell, transfer, charge, encumber, create or grant any option or lien over or otherwise dispose of (or permit any such action to occur in respect of) all or any of the IU Shares or any interest therein.

Each of the IU Shareholders has also irrevocably undertaken that he/she shall:

- (i) not exercise any of the voting rights attached to the IU Shares other than in accordance with the Irrevocable Undertaking;

- (ii) exercise (or procure the exercise of) the voting rights attached to the IU Shares on any resolution which would assist implementation of the Scheme in accordance with the Offeror's reasonable instructions; and
- (iii) not make any offer to acquire the whole or any part of the issued share capital of the Company nor permit any company in which he/she, directly or indirectly, has any interest to make such an offer.

The obligations of the IU Shareholders under the Irrevocable Undertaking shall terminate immediately (i) if the Proposal and the Scheme are otherwise not implemented by the Long Stop Date; or (ii) if the Scheme is not approved at the Court Meeting; or (iii) if the Reduction or the Rollover Arrangement is not approved at the EGM; or (iv) if at the court hearing of the Grand Court to hear the petition to sanction the Scheme and confirm the Reduction, the Grand Court does not sanction the Scheme or confirm the Reduction; or (v) by mutual agreement of the IU Shareholders and the Offeror, whichever is the earliest.

**Warning: Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived (including the approval of the Rollover Arrangement as a special deal under Rule 25 of the Takeovers Code), as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

By order of the board of directors of  
**Power Heritage Group Limited**  
**Chu Hui**  
*Director*

On behalf of the Board  
**Jiangnan Group Limited**  
**Xia Yafang**  
*Executive Vice-president and Executive  
Director*

Hong Kong, 22 March 2023

*As at the date of this announcement, the sole director of the Offeror is Mr. CHU Hui.*

*The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the directors of the Company (other than Mr. CHU Hui)) 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.*

*As at the date of this announcement, the Board comprises three executive directors, namely Mr. Chu Hui, Ms. Xia Yafang and Mr. Jiang Yongwei; and three independent non-executive directors, namely Mr. He Zhisong, Mr. Yang Rongkai and Mr. Fok Ming Fuk.*

*The directors of the Company jointly and severally accept full responsibility for accuracy of the information contained in this announcement relating to the Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement by the directors of the Company 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.*