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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

**SANCTION OF THE SCHEME BY THE GRAND COURT
EXPECTED EFFECTIVE DATE OF THE SCHEME
AND**

EXPECTED DATE OF WITHDRAWAL OF LISTING OF THE SHARES

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



INTRODUCTION

Reference is made to (i) the composite scheme document jointly issued by Jiangnan Group Limited (the “**Company**”) and Power Heritage Group Limited (the “**Offeror**”) dated 22 April 2023 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 and the proposed withdrawal of listing of the Company (the “**Scheme Document**”); and (ii) the announcement jointly issued by the Company and the Offeror dated 15 May 2023 in relation to, among other things, the results of the Court Meeting and the EGM. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Scheme Document.

SANCTION OF THE SCHEME

The Scheme was sanctioned (without modification) by the Grand Court on Tuesday, 16 May 2023 (Cayman Islands time).

UPDATE ON THE CONDITIONS OF THE PROPOSAL

As at the date of this announcement, the Proposal remains, and the Scheme will become effective and binding on the Offeror, the Company and all Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the second part of Condition (d) and Conditions (g), (h) and (j) as set out below. All of the other Conditions as set out in the section headed “3. Conditions of the Proposal and the Scheme” in Part VII — Explanatory Memorandum of the Scheme Document have been fulfilled.

(d) ...the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;

(g) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal having been obtained from, given by or made with (as the case may be) the Relevant Authorities, in the Cayman Islands, Hong Kong and any other relevant jurisdictions;

(h) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;

(j) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme.

A copy of the order of the Grand Court sanctioning the Scheme is expected to be delivered to the Registrar of Companies in the Cayman Islands for registration on or by Friday, 19 May 2023 (Cayman Islands time) whereupon Condition (d) will be fulfilled.

In respect of Condition (g), as at the date of this announcement, other than those set out in Conditions (a) to (f) (inclusive), the Offeror and the Company are not aware of any necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals required for the Proposal. As at the date of this announcement, the Offeror and the Company are not aware of any circumstances which may result in Condition (j) not being satisfied.

EXPECTED EFFECTIVE DATE OF THE SCHEME

Assuming that all the Conditions are fulfilled or waived (as applicable), it is expected that the Scheme will become effective on Friday, 19 May 2023 (Cayman Islands time). An announcement will be made when the Scheme has become effective.

The Scheme will lapse if it does not become effective on or before 31 December 2023 (being the Long Stop Date), or such other date as the Company and the Offeror may agree or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive. The Offeror and the Company will make further announcement(s) as and when necessary.

EXPECTED DATE OF WITHDRAWAL OF LISTING OF THE SHARES

The Company has applied to the Stock Exchange for, and the Stock Exchange has approved, the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect immediately from 9:00 a.m. on Tuesday, 23 May 2023, subject to the Scheme becoming effective.

EXPECTED TIMETABLE

The expected timetable set out below is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable. Unless otherwise specified, all times and dates refer to Hong Kong local dates and times.

Hong Kong time
(unless otherwise specified)

Scheme Record Date Friday, 19 May 2023

Latest time for lodging transfers of Shares in order
to qualify for entitlements under the Scheme 4:30 p.m. on Friday,
19 May 2023

Effective Date (*Note 1*)..... Friday, 19 May 2023
(Cayman Islands time)

Announcement of the Effective Date and
the withdrawal of the listing of the Shares
on the Stock Exchange no later than 8:30 a.m. on Monday,
22 May 2023

Withdrawal of the listing of the Shares
on the Stock Exchange becomes effective (*Note 2*)..... 9:00 a.m. on Tuesday,
23 May 2023

Latest time to despatch cheques for cash payment
under the Scheme (*Note 3*)..... on or before Wednesday,
31 May 2023

Notes:

1. The Scheme will become effective upon the fulfilment or waiver (as applicable) of all of the Conditions to the Proposal as set out in the section headed “3. Conditions of the Proposal and the Scheme” in Part VII — Explanatory Memorandum of the Scheme Document.
2. If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at 9:00 a.m. on Tuesday, 23 May 2023.
3. Cheques for cash entitlements to the Scheme Shareholders under the Scheme will be despatched by post at the risk of the recipients to their registered addresses shown in the register of members of the Company within seven business days (as defined in the Takeovers Code) of the Effective Date.

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, 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, 17 May 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 (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 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 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.