
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Jiangnan Group Limited (“**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser, the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or 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.



JIANGNAN GROUP LIMITED
江南集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1366)

**GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Plaza 1-2, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong at 10:30 a.m. on 15 June 2012 (“**Annual General Meeting**”) is set out on pages 14 to 18 of this circular. If you do not intend to attend and vote at the Annual General Meeting in person, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

17 May 2012

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
Introduction	4
General mandates to issue and repurchase Shares	5
Re-election of Directors	6
Annual General Meeting	6
Recommendation	7
 Appendix I – Explanatory statement on the Repurchase Mandate	
	8
 Appendix II – Details of retiring Directors proposed for re-election	
	11
 Notice of Annual General Meeting	
	14

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company convened to be held at Plaza 1-2, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong at 10:30 a.m. on 15 June 2012, the notice of which is set out on pages 14 to 18 of this circular and any adjournment thereof
“Articles”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Capitalisation Issue”	has the meaning ascribed to it in the Prospectus
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Jiangnan Group Limited, a company incorporated in the Cayman Islands on 4 January 2011 under the Companies Law with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate
“Extra Fame”	Extra Fame Group Limited (in Chinese, for identification purpose only, 有限), a company incorporated under the laws of BVI on 15 September 2005 and is a directly wholly-owned subsidiary of the Company

DEFINITIONS

“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution as set out in resolution numbered 4(A) in the notice convening the Annual General Meeting
“Global Offering”	has the meaning ascribed to it in the Prospectus
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangnan Cable”	錫有限 (in English, for identification purpose only, Wuxi Jiangnan Cable Co., Ltd.), a wholly foreign-owned enterprise established under the laws of the PRC on 25 February 2004, an indirect wholly-owned subsidiary of the Company
“Jiangnan Cable (HK)”	Jiangnan Cable (HK) Limited ((香)有限), a company incorporated under the laws of Hong Kong on 15 December 2010, an indirect wholly-owned subsidiary of the Company
“Latest Practicable Date”	14 May 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Over-allotment Option”	has the meaning ascribed to it in the Prospectus
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company in connection with the Global Offering dated 10 April 2012

DEFINITIONS

“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal amount of the share capital in issue as at the date of passing the relevant resolution as set out in resolution numbered 4(B) in the notice convening the Annual General Meeting
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) for the time being of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Wuxi Jiangnan”	錫有限 (in English, for identification purpose only, Wuxi Jiangnan Wire and Cable Co., Ltd) (subsequently renamed as 錫有限 (in English, for identification purpose only, Wuxi Newport Electronic Equipment Co. Ltd.))
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



JIANGNAN GROUP LIMITED 江南集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1366)

Executive Directors:

Mr. Rui Fubin (*Chairman and chief executive officer*)
Mr. Rui Yiping
Ms. Xia Yafang
Mr. Jiang Yongwei

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent non-executive Directors:

Mr. He Zhisong
Mr. Wu Changshun
Mr. Yang Rongkai
Mr. Poon Yick Pang Philip

Principal place of business

in Hong Kong:
Room 303, 3rd Floor
50 Connaught Road C.
Central
Hong Kong

17 May 2012

To the Shareholders

Dear Sir or Madam,

GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND RE-ELECTION OF DIRECTORS

INTRODUCTION

The purposes of this circular are to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. At the Annual General Meeting, resolutions relating to, among other matters, (i) the grant of the General Mandate, the Repurchase Mandate and the Extension Mandate and (ii) the re-election of Directors will be proposed.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

By written resolutions of the then Shareholders passed on 25 February 2012, the Directors were granted (a) a general unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of Shares in issue immediately following the completion of the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option; (b) a general unconditional mandate to exercise all the powers of the Company to repurchase Shares with a total nominal value of not more than 10% of the total nominal amount of the share capital of the Company immediately following the completion of the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option; and (c) the power to extend the general mandate mentioned in (a) above by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to the mandate to repurchase Shares referred to in (b) above.

The above general mandates will expire at the conclusion of the Annual General Meeting. At the Annual General Meeting, the Shareholders will be asked to consider and, if thought fit, to approve the grant of the General Mandate to enable the Directors to exercise the powers of the Company to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the Shares in issue as at the date of the passing of the resolution. As at the Latest Practicable Date, the number of Shares in issue was 1,538,600,000. Subject to the passing of the relevant resolution, the maximum number of new Shares (assuming that there will be no change in the number of Shares in issue between the Latest Practicable Date and the date of the Annual General Meeting) to be issued under the proposed General Mandate is 307,720,000.

Ordinary resolutions will also be proposed at the Annual General Meeting for the grant of the Repurchase Mandate to enable the Directors to exercise all the powers of the Company to repurchase Shares on the Stock Exchange with a total nominal value of not more than 10% of the total nominal amount of the Shares in issue as at the date of the passing of the resolution and to extend the General Mandate to cover Shares repurchased by the Company.

The General Mandate and the Repurchase Mandate will expire: (a) at the end of the Company's next annual general meeting following the Annual General Meeting; (b) at the end of the period within which the Company is required by law or the Articles to hold its next annual general meeting; or (c) when varied or revoked by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company, whichever is the earliest.

The Directors wish to state that they have no immediate plans to allot and issue any new Shares.

LETTER FROM THE BOARD

An explanatory statement containing information necessary to enable the Shareholders to make an informed decision on the proposed resolution for the grant of the Repurchase Mandate as required by the Listing Rules is set out in Appendix I to this circular.

RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board comprises four executive Directors, namely Mr. Rui Fubin, Mr. Rui Yiping, Ms. Xia Yafang and Mr. Jiang Yongwei and four independent non-executive Directors, namely Mr. He Zhisong, Mr. Wu Changshun, Mr. Yang Rongkai and Mr. Poon Yick Pang Philip.

In accordance with Article 84(1) of the Articles, each of Mr. Rui Fubin, Mr. Rui Yiping and Ms. Xia Yafang will retire from the office of Director by rotation and each of them, being eligible, will offer himself/herself for re-election at the Annual General Meeting.

Information on the Directors offered themselves for re-election is set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

Set out on pages 14 to 18 of this circular is a notice convening the Annual General Meeting at which, among other proposed resolutions, ordinary resolutions will be proposed to approve the following:

- (a) the grant of the General Mandate;
- (b) the grant of the Repurchase Mandate;
- (c) the grant of the Extension Mandate; and
- (d) the re-election of Directors.

If you do not intend to attend and vote at the Annual General Meeting in person, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

All resolutions put to vote at the Annual General Meeting will be decided by way of a poll as required by the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the grant of the General Mandate, the Repurchase Mandate, the Extension Mandate and the re-election of Directors are in the best interests of the Company and its Shareholders and recommend the Shareholders to vote in favour of all the relevant resolutions set out in the notice of the Annual General Meeting.

Yours faithfully,

On behalf of the Board

Jiangnan Group Limited

Rui Fubin

Chairman and chief executive officer

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. Listing Rules relating to the repurchase of Shares

The Listing Rules permit companies whose primary listing is on the Main Board of the Stock Exchange to repurchase their shares on the Main Board of the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such a company must be fully paid up and all repurchase of shares by such a company must be approved in advance by an ordinary resolution of the shareholders, either by way of a general mandate or by specific approval of a specific transaction.

2. Share capital

As at the Latest Practicable Date, the Company had 1,538,600,000 Shares in issue.

Subject to the passing of the resolution for the grant of the Repurchase Mandate (resolution numbered 4(B) as set out in the notice convening the Annual General Meeting contained in this circular), and on the basis of 1,538,600,000 Shares in issue and assuming that no new Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 153,860,000 Shares.

3. Reasons for the repurchase

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements of the Company at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders.

4. Funding of repurchases

Repurchases must be paid out of funds legally available for the purpose and in accordance with the Articles, the Companies Law and other applicable laws of the Cayman Islands. A listed company may not repurchase its own shares on the Main Board of the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Cayman Islands law, any repurchases by the Company may only be made out of profits of the company or out of the proceeds of a fresh issue of shares made for the purpose or, if authorised by the Articles and subject to the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the shares to be repurchased must be provided for out of profits or the share premium account of the Company or, if authorised by the Articles and subject to the Companies Law, out of capital.

5. Impact of repurchases

On the basis of the current financial position of the Company and taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2011, being the date to which the last audited accounts of the Company were made up. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

6. Share prices

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the calendar months from 20 April 2012 (being the date on which the Shares first commenced dealings on the Stock Exchange) to the Latest Practicable Date:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
April 2012	1.48	1.21
May 2012 (up to the Latest Practicable Date)	1.48	1.21

7. Effect of Hong Kong Code on Takeovers and Mergers and minimum public holding

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, 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 offer in accordance with rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Power Heritage Group Limited (*Note*) was the controlling Shareholder, holding approximately 71.72% of the existing issued Shares.

Note: Power Heritage Group Limited is owned as to 83% by Mr. Rui Fubin and 17% by Mr. Rui Yiping.

The Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

8. Shares repurchase made by the Company

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) during the period from 20 April 2012 (being the date on which the Shares first commenced dealings on the Stock Exchange) up to the Latest Practicable Date.

9. General

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to the Company or its subsidiaries if the Repurchase Mandate is approved at the Annual General Meeting and is exercised.

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

No connected person (as defined under the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so if the Repurchase Mandate is approved by the Shareholders.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

The following sets out the information of the Directors, who will retire from office of the Directors by rotation at the Annual General Meeting pursuant to Article 84(1) of the Articles and, being eligible, offer themselves for re-election.

Mr. Rui Fubin

Mr. Rui Fubin (), aged 63, is the chairman, the chief executive officer and an executive Director. Mr. Rui is also the chairman of the corporate governance committee of the Company. Mr. Rui is primarily responsible for the formulation of our development strategies and supervision of our overall business and operation management. Mr. Rui has over 25 years of experience in the wire and cable industry in the PRC. Since March 2004, Mr. Rui has been the chairman of Jiangnan Cable and been responsible for overall management of production, operation, sales and administration matters in the Company. From August 1997 to February 2004, he was the chairman of Wuxi Jiangnan. He has been a director of Extra Fame since December 2005, a director of Jiangnan Cable (HK) since December 2010 and a director of Jiangnan Cable and Power Heritage since February 2004. From May 1994 to October 1998, he was the deputy mayor of Guanlin Town People's Government of Yixing City. From January 1989 to January 1995, Mr. Rui was the factory director of Wuxi City Jiangnan Cable Factory (錫) and played a role in the overall management of the factory. From January 1982 to December 1988, Mr. Rui was the director of Yixing City Guanlin Society Welfare Factory (興會), a company partially engaged in the production and sales of wire and cable. Mr. Rui completed two-year's adult education in the Nanjing University of Finance and Economics (京) (formerly known as Jiangsu Cadre's Institute of Economic and Management (蘇理院)) on a part-time basis in May 1992, majoring in industrial economic management. Mr. Rui was qualified as a senior economist () by the Jiangsu Province Personnel Department (蘇人事) in November 2007.

Mr. Rui has obtained several awards, including China Outstanding Entrepreneur (中) by the China Enterprise Culture Improvement Association (中促進會), The Fifth China Township Entrepreneur Award (五鄉) by the Ministry of Agriculture of PRC (中人) and Top Ten Headline Figures of China Economy (中人) by the Economic Daily () in 2004. Mr. Rui is the father of an executive Director and general manager (marketing and sales) of the Company, Mr. Rui Yiping. Mr. Rui is the uncle of the spouse of Mr. Jiang Yongwei, an executive Director and vice president of the Company.

Mr. Rui Fubin has entered into a service agreement with the Company on 25 February 2012 pursuant to which he agreed to act as executive Director for a fixed term of three years commencing on 20 April 2012 (being the date on which the Shares first commenced dealings on the Stock Exchange). He is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles. The current annual salary of Mr. Rui is RMB840,000 which was determined with reference to the Company's operating results, performance and comparable market trend.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

As at the Latest Practicable Date, Mr. Rui Fubin was interested in 1,103,400,000 Shares through his interest in Power Heritage Group Limited (which is owned as to 83% by him and 17% by Mr. Rui Yiping and is a controlling Shareholder (as defined in the Listing Rules) of the Company) within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Rui does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to the re-election of Mr. Rui Fubin and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.

Mr. Rui Yiping

Mr. Rui Yiping (), aged 32, is the general manager (marketing and sales) of the Company and an executive Director. Mr. Rui is also a member of the remuneration committee, the nomination committee and the corporate governance committee of the Company. Mr. Rui is responsible for our sales operation. He has over 12 years of experience in wire and cable industry in the PRC. Since March 2004, Mr. Rui has been the director of Jiangnan Cable. Mr. Rui joined Wuxi Jiangnan as a sales manager in January 2000 and he then held various positions including vice general manager, director, president and deputy chairman from 2002 to 2010. During this tenure, Mr. Rui was responsible for sales and daily management of the company and gained rich experience in the electrical wire and cable industry. He has been a director of Extra Fame since March 2006, a director of SA Asia Cable (Proprietary) Limited (an indirect wholly-owned subsidiary of the Company) since June 2005, a director of Jiangnan Cable (HK) since December 2010 and a director of Jiangnan Cable and Power Heritage Group Limited since February 2004. Mr. Rui graduated from the China Central Radio & Television University (中) with an associate degree in law on a part-time basis in July 2006. He was qualified as a senior economist () by the Jiangsu Province Personnel Department (蘇人事) in November 2005. Mr. Rui was named as a China Outstanding Entrepreneur (中) by the International Enterprise Development China Promotion Committee (際中促進會) and China Excellent Enterprise Network (中) in 2006. Mr. Rui Yiping is the son of Mr. Rui Fubin, the Chairman, the chief executive officer of the Company and an executive Director, and a cousin of the spouse of Mr. Jiang Yongwei, an executive Director and vice president of the Company.

Mr. Rui Yiping has entered into a service agreement with the Company on 25 February 2012 pursuant to which he agreed to act as executive Director for a fixed term of three years commencing on 20 April 2012 (being the date on which the Shares first commenced dealings on the Stock Exchange). He is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles. The current annual salary of Mr. Rui is RMB600,000 which was determined with reference to the Company's operating results, performance and comparable market trend.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

As at the Latest Practicable Date, Mr. Rui Yiping was not interested in any Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Rui Yiping does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to the re-election of Mr. Rui Yiping and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.

Ms. Xia Yafang

Ms. Xia Yafang (亞), aged 39, is an executive Director and the executive vice president of the Company. She joined the Group in 2004. Ms. Xia is in charge of our overall day to day operations. She was appointed as chief engineer of Jiangnan Cable in August 2011. Ms. Xia has nearly 20 years of experience in the wire and cable industry in the PRC. From April 2001 to January 2004, she was a director of technology department and vice general manager of Wuxi Jiangnan. From March 1996 to March 2001, Ms. Xia was the engineer for cable research technology and the director of cross-linked cable factory of Wuxi Far East Cable Factory (錫遠). During this tenure, Ms. Xia was in charge of production and daily operations of the factory. From July 1992 to February 1996, Ms. Xia worked at Wuxi City Jiangnan Cable Factory (錫) as a technician. Ms. Xia graduated from Nanjing Jinling Institute of Technology (京陵院) (formerly known as Nanjing Polytechnic University (京陵)) with an associate degree in mechanical and electrical engineering in July 1992. Ms. Xia was qualified as a senior economist () in November 2005 and senior engineer () in September 2007, both by the Jiangsu Province Personnel Department (蘇人事).

Ms. Xia Yafang has entered into a service agreement with the Company on 25 February 2012 pursuant to which she agreed to act as executive Director for a fixed term of three years commencing on 20 April 2012 (being the date on which the Shares first commenced dealings on the Stock Exchange). She is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles. The current annual salary of Ms Xia is RMB420,000 which was determined with reference to the Company's operating results, performance and comparable market trend.

As at the Latest Practicable Date, Ms. Xia Yafang was not interested in any Shares within the meaning of Part XV of the SFO. Save as disclosed above, Ms. Xia Yafang does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to the re-election of Ms. Xia Yafang and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



JIANGNAN GROUP LIMITED 江南集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1366)

NOTICE IS HEREBY GIVEN that an annual general meeting of Jiangnan Group Limited (“**Company**”) will be held at Plaza 1-2, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong, at 10:30 a.m. on 15 June 2012 to consider and, if thought fit, transact the following ordinary businesses:

1. to receive and approve the reports of the directors (“**Directors**”) of the Company and the auditors of the Company for the year ended 31 December 2011;
2. to re-elect each of the retiring Directors, each as a separate resolution, and to authorise the board (“**Board**”) of Directors to fix their remuneration;
3. to re-appoint the auditors of the Company and to authorise the Board to fix their remuneration; and
4. to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

(A) “**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the unissued shares (“**Shares**”) in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which may require the exercise of such powers after the expiry of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of options granted under any share option scheme or similar arrangement adopted from time to time by 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 articles of association 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:

(aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

(bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on 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 articles of association of the Company, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (“**Companies Law**”) or any other applicable law of the Cayman Islands to be held; or

(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;

NOTICE OF ANNUAL GENERAL MEETING

“**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 shareholders of the Company whose names appear on the Company’s register of members 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, any recognised regulatory body or any stock exchange in, or in any territory outside Hong Kong, or the expense or delay that may be incurred in the determination of any such restrictions or obligations).”

(B) “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase Shares on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (“**SFC**”) and the Stock Exchange for this purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Law 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 purchased or agreed to be purchased by the Company pursuant to the authority granted pursuant to paragraph (a) above during the Relevant Period shall not exceed 10 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;
- (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 articles of association of the Company, the Companies Law or any other applicable law of the Cayman Islands to be held; or
 - (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;

NOTICE OF ANNUAL GENERAL MEETING

- (C) “**THAT** conditional on the passing of resolutions numbered 4(A) and 4(B) above, the general mandate granted to the Directors pursuant to paragraph (a) of resolution numbered 4(A) above be and is hereby extended by the addition to the aggregate nominal amount of the Shares which may be allotted, issued or dealt with by the Directors pursuant to or in accordance with such mandate of an amount representing the aggregate nominal amount of the shares in the capital of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 4(B) above.”

On behalf of the Board
Jiangnan Group Limited
Rui Fubin
Chairman and chief executive officer

Hong Kong, 17 May 2012

Principal place of business in Hong Kong:

Room 303, 3rd Floor
50 Connaught Road C.
Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed, or a certified copy of that power or authority, at the office of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited (“**Branch Registrar**”) at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. The register of members of the Company will be closed from 11 June 2012 to 15 June 2012 (both dates inclusive) during which period no transfer of shares (“**Shares**”) of the Company will be registered.
4. In relation to the proposed resolution numbered 4(B) above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase the securities of the Company 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 of the Company 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 despatched to the shareholders of the Company on the date hereof.
5. All resolutions put to vote at the meeting will be decided by way of poll as required by the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

As at the date hereof, the Board comprises the following members:

Executive Directors

Mr. Rui Fubin

(Chairman and chief executive office)

Mr. Rui Yiping

Ms. Xia Yafang

Mr. Jiang Yongwei

Independent non-executive Directors

Mr. He Zhisong

Mr. Wu Changshun

Mr. Yang Rongkai

Mr. Poon Yick Pang Philip