

**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.

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**JIANGNAN GROUP LIMITED**

**江南集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1366)**

**PROPOSED BONUS ISSUE OF SHARES  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening the extraordinary general meeting of the Company to be held at Unit 22, 15/F, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong at 10:30 a.m. on Wednesday, 31 October 2012 (“**EGM**”) is set out on pages 8 to 10 of this circular. If you do not intend to attend and vote at the EGM in person but wish to exercise your rights as a Shareholder, please 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 EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

15 October 2012

# CONTENTS

	<i>Page</i>
<b>Expected timetable</b> .....	1
<b>Definitions</b> .....	2
<b>Letter from the Board</b>	
Introduction .....	4
Proposed Bonus Issue .....	5
EGM .....	7
Responsibility Statement .....	7
Recommendation .....	7
<b>Notice of Extraordinary General Meeting</b> .....	8

## EXPECTED TIMETABLE

*The expected timetable for the Bonus Issue is set out below:*

*Date (2012)*

Despatch of circular and notice of the EGM . . . . .	Monday, 15 October
Latest time lodging form of proxy for the EGM. . . . .	10:30 a.m. on Monday, 29 October
Date and time of the EGM . . . . .	10:30 a.m. on Wednesday, 31 October
Announcement of poll results of the EGM . . . . .	Wednesday, 31 October
Last date of dealing in Shares cum-entitlements to the Bonus Issue . . . . .	Thursday, 1 November
First date of dealing in Shares ex-entitlements to the Bonus Issue . . . . .	Friday, 2 November
Latest time for lodging transfers forms of Shares to qualify for entitlements to the Bonus Issue. . . . .	4:30 p.m. on Monday, 5 November
Closure of Register of Members . . . . .	Tuesday, 6 November to Wednesday, 7 November, both days inclusive
Record Date for determination of entitlement to the Bonus Shares . . . . .	Wednesday, 7 November
Despatch of certificates for the Bonus Shares . . . . .	Thursday, 15 November
Commencement of dealings in the Bonus Shares . . . . .	Friday, 16 November

*Note:*

- (1) All times refer to Hong Kong local time in this circular.
- (2) Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholder as and when appropriate.

## DEFINITIONS

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

“Board”	the board of Directors
“Bonus Issue”	the proposed issue of one Bonus Share for every one existing Share to the Shareholders whose names appear on the register of members of the Company on the Record Date
“Bonus Share(s)”	new Share(s) proposed to be issued by way of the Bonus Issue
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company convened to be held at Unit 22, 15/F, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong at 10:30 a.m. on Wednesday, 31 October 2012, the notice of which is set out on pages 8 to 10 of this circular and any adjournment thereof, to consider, and if thought fit, to approve the Bonus Issue
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	11 October 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

## DEFINITIONS

“Non-qualifying Shareholders”	Overseas Shareholders who are excluded from the Bonus Issue and as defined and more particularly described in the section headed “Overseas Shareholders” in the letter from the Board in this circular
“Overseas Shareholders”	holders of Shares whose addresses as shown on the register of members of the Company on the Record Date are outside Hong Kong
“PRC”	the People’s Republic of China
“Qualifying Shareholders”	holders of Shares, not being Non-qualifying Shareholders, who are entitled to the Bonus Issue
“Record Date”	7 November 2012, being the record date for determination of entitlements to the Bonus Issue
“RMB”	Renminbi, the lawful currency of the PRC
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company in connection with the initial public offering of the Company dated 10 April 2012
“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

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 Zhizong

Mr. Wu Changshun

Mr. Yang Rongkai

Mr. Poon Yick Pang Philip

*Principal place of business*

*in Hong Kong:*

Unit 22, 15/F

Leighton Centre

77 Leighton Road

Causeway Bay

Hong Kong

15 October 2012

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED BONUS ISSUE OF SHARES  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

As set out in the Company's announcement dated 27 August 2012 relating to the unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 June 2012, the Board resolved to recommend the Bonus Issue. The purposes of this circular are to provide you with information regarding the resolution relating to the Bonus Issue to be proposed at the EGM and to give you notice of the EGM.

## LETTER FROM THE BOARD

### PROPOSED BONUS ISSUE

The Bonus Issue is proposed to be made on the basis of one Bonus Share for every one existing Share held by the Shareholders whose names appear on the register of members of the Company on the Record Date. The Bonus Shares will be credited as fully paid by way of capitalisation of an amount equal to the total par value of the Bonus Shares of HK\$15.386 million (equivalent to approximately RMB12.6 million) in the share premium account of the Company.

As at the Latest Practicable Date, the Company had an issued share capital of 1,538,600,000 Shares. Assuming no Shares are issued or repurchased up to and including the Record Date, 1,538,600,000 Bonus Shares will be issued under the Bonus Issue. Upon issuance and credited as fully paid, the Bonus Shares will rank *pari passu* in all respects with the then existing issued Shares.

As the Bonus Issue will be made on the basis of one Bonus Share for one existing Share, there will not be any fractional entitlements to the Bonus Share.

### Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

- (i) the obtaining of consent from the Underwriters (as defined in the Prospectus) for the Bonus Issue;
- (ii) the passing of ordinary resolution by the Shareholders at the EGM approving the Bonus Issue; and
- (iii) the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares.

As at the Latest Practicable Date, the Company had obtained consent from the Underwriters (as defined in the Prospectus) for the Bonus Issue.

### Reasons of the Bonus Issue

The Directors believe that the Bonus Issue is a return to the support of the Shareholders.

### Closure of register of members

To ascertain the Shareholders' entitlement to the Bonus Issue, the register of members of the Company will be closed from Tuesday, 6 November 2012 to Wednesday, 7 November 2012, both days inclusive, during which period no transfers of Shares will be registered. In order to qualify for the entitlements to the Bonus Issue, all transfers of Shares must be duly completed, accompanied by the relevant share certificates and lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 5 November 2012.

## **LETTER FROM THE BOARD**

### **Status of the Bonus Issue**

An application has been made to the Listing Committee for the listing of, and permission to deal in, the Bonus Shares to be issued.

The Shares and debt securities of the Company are not listed or dealt in on any other stock exchange nor is listing or permission to deal in the Shares being or proposed to be sought from any other stock exchange.

### **Trading Arrangement**

Subject to the granting of listing of, and permission to deal in, the Bonus Shares on the Stock Exchange, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Bonus Shares or such other date as may be determined by HKSCC. Settlement of transactions between members of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operation Procedures in effect from to time.

It is expected that dealings in the Bonus Shares on the Stock Exchange will commence on Friday, 16 November 2012.

Stamp duty in Hong Kong will be payable in respect of dealings in the Bonus Shares.

### **Certificate for Bonus Shares**

Certificates in respect of the Bonus Shares will be sent to persons entitled thereto at their respective address shown in the register of members of the Company or in the case of joint holders, to the address of the joint holder whose name stands first in the register of members of the Company in respect of the joint holding. It is expected that certificates for the Bonus Shares will be despatched to the Shareholders by ordinary post at their own risk on or before Thursday, 15 November 2012.

### **Overseas Shareholders**

According to the latest information provided by the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, as at the Latest Practicable Date, there was no Overseas Shareholder as recorded on the register of members of the Company. However, if at 4:30 p.m. on the Record Date, the register of members of the Company reveals there are Overseas Shareholders, enquiry will be made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. Upon such enquiry, if the Board is of the view that it is not necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place to offer the Bonus Shares to such Overseas Shareholders, the Bonus Shares will not be granted to the Non-qualifying Shareholders. In such circumstances, arrangement will be made for the Bonus Shares which would otherwise have been issued to the Non-qualifying Shareholders to be sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any net proceeds of such sale, after deduction of expenses, of HK\$100 or more



## LETTER FROM THE BOARD

will be distributed in Hong Kong dollars to the relevant Non-qualifying Shareholders, by ordinary post at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company.

### EGM

The notice convening the EGM is set out on pages 8 to 10 of this circular for the Shareholders to consider, and if thought fit, to approve the Bonus Issue. A form of proxy for use at the EGM is also enclosed with this circular.

Whether or not you are able to attend and vote at the EGM in person, you are encouraged to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event the instrument appointing the proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Directors consider that the Bonus Issue is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM.

Yours faithfully,  
On behalf of the Board  
**Jiangnan Group Limited**  
**Rui Fubin**  
*Chairman and chief executive officer*



**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 extraordinary general meeting of Jiangnan Group Limited (“**Company**”) will be held at Unit 22, 15/F, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong at 10:30 a.m. on Wednesday, 31 October 2012 to consider and, if thought fit, pass the following resolution as an ordinary resolution:

**ORDINARY RESOLUTION**

“**THAT**, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the listing of, and permission to deal in, the Bonus Shares (as defined below) to be issued pursuant to this resolution:

- (a) upon the recommendation of the directors of the Company (“**Directors**”), an amount standing to the credit of the share premium account of the Company be capitalised and accordingly the Directors be and are hereby authorised and directed to apply such amount in paying up in full at par new ordinary shares of HK\$0.01 each in the capital of the Company (“**Bonus Shares**”), and that such Bonus Shares shall be allotted and distributed, credited as fully paid at par, to and among the shareholders of the Company whose names appear on the register of members of the Company (“**Register of Members**”) at the close of business on Wednesday, 7 November 2012 (“**Record Date**”), other than those members (“**Non-qualifying Shareholders**”) whose addresses as shown on the Register of Members at the close of business on the Record Date are in jurisdiction outside Hong Kong and in respect of whom the Directors consider the exclusion from the Bonus Issue (as defined below) to be necessary or expedient in accordance with the Rules Governing the Listing of Securities on the Stock Exchange, on the basis of one Bonus Share for every one existing share of HK\$0.01 each in the capital of the Company then held on the Record Date (“**Bonus Issue**”);
- (b) the Bonus Shares to be issued pursuant to this resolution shall, subject to the memorandum and articles of association of the Company, rank *pari passu* in all respects with the shares of HK\$0.01 each in the capital of the Company in issue on the day on which the Bonus Shares are allotted and issued, except that they will not be eligible for the Bonus Issue mentioned in this resolution;

## NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the Directors be and are hereby authorised to arrange for the Bonus Shares which would otherwise have been issued to the Non-qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences, and distribute the net proceeds of sale, after deduction of expenses, in Hong Kong dollars to the Non-qualifying Shareholders, if any, pro rata to their respective shareholdings and to post to them the remittances therefor at their own risk, unless the amount to be distributed to any such persons is less than HK\$100.00, in which case the Directors be and are hereby authorised to retain such amount for the benefit of the Company; and
- (d) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares.”

On behalf of the board of directors of  
**Jiangnan Group Limited**  
**Rui Fubin**  
*Chairman and chief executive officer*

Hong Kong, 15 October 2012

*Principal place of business in Hong Kong:*

Unit 22, 15/F  
Leighton Centre  
77 Leighton Road  
Causeway Bay  
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 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 resolution put to vote at the meeting will be decided by way of poll as required by the Listing Rules.

## NOTICE OF EXTRAORDINARY GENERAL MEETING

As at the date hereof, the board of directors of the Company comprises the following members:

*Executive Directors*

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

*Independent non-executive Directors*

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