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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)**

### **VOLUNTARY ANNOUNCEMENT IN RESPECT OF LONG-TERM SUPPLY CONTRACT WITH ESKOM HOLDING SOC LTD (“ESKOM”) IN SOUTH AFRICA**

This is a voluntary announcement of Jiangnan Group Limited (the “Company” together with its subsidiaries, the “Group”).

#### **Long-term Supply Contract with Eskom in South Africa**

A subsidiary of the Company in South Africa has finalized and successfully entered into a 5-year framework contract (the “Framework Contract”) with Eskom in South Africa after a long period of negotiation. Contracted sales under the Framework Contract for the electric wire and cable products amount to approximately 2.4 billion Rand, not including the contracted amount in relation to supplemental contracts with and individual projects of Eskom.

The Group has commenced business cooperation with Eskom since 2005 and set up factories in South Africa 2013. It is the only Chinese electricity cable enterprise who has factories there. Over the years, the Group has won tenders for a number of individual projects of Eskom. By entering into the Framework Contract, the Group has established further long-term relationship as a strategic cooperation partner in South Africa. It is expected that the Group’s reputation and recognition for its products will be further enhanced in the South African market, which will lay a solid foundation for further expansion in African and oversea markets. The Group’s cooperation with Eskom on other individual projects will also increase. Moreover, the mining industry is a backbone of the South Africa economy. Zhongmei Cable, a subsidiary acquired by the Group in 2013, is a leader in the industry of rubber-sheathed cables for mining. Its rubber-sheathed cables will have a huge demand and will boost up the sales in African countries.

## **Information about Eskom**

Eskom is the seventh and ninth largest electricity enterprise in the world in terms of the volume of generation and sales, and accounts for 95% and 45% of the electricity supply of South Africa and the entire Africa respectively. The total assets of Eskom amounted to 524,993 million Rand for 2014 and its capital expense amounted to 59,803 million Rand for the year.

Eskom will invest 174 billion Rand to the development of electricity transmission network from 2013 to 2022 under its Ten-Year Development Plan for Electricity Transmission, and upgrade the voltage of its current network in phases. The 132kV transmission cables, which are the main components of the current network, will be gradually replaced by 765kV cables as its percentage in the transmission network increases.

By order of the Board  
**Jiangnan Group Limited**  
**Rui Fubin**  
*Chairman and Executive Director*

The People's Republic of China, 16 September 2014

*As at the date of this announcement, the Board comprises five executive directors, namely Mr. Rui Fubin, Mr. Chu Hui, Ms. Xia Yafang, Mr. Jiang Yongwei and Mr. Hao Minghui; and four independent non-executive directors, namely Mr. He Zhisong, Mr. Wu Changshun, Mr. Yang Rongkai and Mr. Poon Yick Pang Philip.*