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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)

COMPLETION OF PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Joint Placing Agents (in alphabetical order)



The Board is pleased to announce that completion of the Placing took place on 16 September 2014 and completion of the Subscription took place on 19 September 2014. The Company received net proceeds of approximately HK\$607 million from the Subscription and intends to use such net proceeds for establishing production facilities and production lines, investment in cable related business as well as working capital of the Group.

Reference is made to the announcement (“**Announcement**”) of the Company dated 11 September 2014 in relation to, among other things, the Placing and the Subscription. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING AND SUBSCRIPTION

The Board is pleased to announce that completion of the Placing took place on 16 September 2014 and as all conditions precedent to completion of the Subscription have been fulfilled, completion of the Subscription took place on 19 September 2014.

A total of 317,950,000 Placing Shares have been successfully placed at the Placing Price of HK\$1.95 per Placing Share to not less than six Placees (being professional, institutional and other investors who and whose ultimate beneficial owner(s) are third parties independent of the Company and its connected persons and are independent of, and not acting in concert (as defined under the Takeovers Code) with the Vendor or any of its directors, chief executive or substantial shareholders, or any of their respective associates).

Further, all the conditions of the Subscription have been fulfilled and completion of the Subscription took place on 19 September 2014. A total of 317,950,000 Subscription Shares (equivalent to the number of the Placing Shares successfully placed under the Placing) were subscribed by the Vendor at HK\$1.95 per Subscription Share.

The number of the Placing Shares (which is equivalent to the number of the Subscription Shares) represents (i) approximately 10.33% of the issued share capital of the Company immediately before completion of the Subscription; and (ii) approximately 9.36% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

The gross proceeds from the Subscription are approximately HK\$620 million and the net proceeds from the Subscription are approximately HK\$607 million. The Company intends to use such net proceeds for establishing production facilities and production lines, investment in cable related business as well as working capital of the Group.

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of the Announcement; (ii) immediately after completion of the Placing but before the Subscription; and (iii) immediately after completion of the Subscription are set out below:

Shareholder	(1)		(2)		(3)	
	As at the date		Immediately after completion		Immediately after completion	
	of the Announcement		of the Placing but		of the Subscription	
	<i>Approximate</i>		<i>Approximate</i>		<i>Approximate</i>	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
The Vendor (<i>Note 1</i>)	1,696,800,000	55.14	1,378,850,000	44.81	1,696,800,000	49.98
Chu Hui (<i>Note 2</i>)	<u>160,000,000</u>	<u>5.20</u>	<u>160,000,000</u>	<u>5.20</u>	<u>160,000,000</u>	<u>4.71</u>
Sub-total of the Vendor and parties acting in concert with it:	1,856,800,000	60.34	1,538,850,000	50.01	1,856,800,000	54.69
Placees	—	—	317,950,000	10.33	317,950,000	9.36
Other public Shareholders	<u>1,220,400,000</u>	<u>39.66</u>	<u>1,220,400,000</u>	<u>39.66</u>	<u>1,220,400,000</u>	<u>35.95</u>
Total	<u>3,077,200,000</u>	<u>100.00</u>	<u>3,077,200,000</u>	<u>100.00</u>	<u>3,395,150,000</u>	<u>100.00</u>

Notes:

1. The Vendor is owned as to 83% by Mr. Rui, an executive Director and the chairman of the Company and as to 17% by Rui Yiping, a son of Mr. Rui and a former director of the Company.
2. Mr. Chu Hui is an executive Director and the son-in-law of Mr. Rui.

On behalf of the Board
Jiangnan Group Limited
Rui Fubin
Chairman

Hong Kong, 19 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.