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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 SHARE REPURCHASE

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

The board of directors (the “**Board**”) of the Company announces that on 23 October 2014, the Company repurchased, on the Stock Exchange of Hong Kong Limited, 6,310,000 ordinary shares (“**Shares**”) of the Company (“**Share Repurchase**”) pursuant to the general mandate granted by the shareholders of the Company to the Board at the annual general meeting (“**Annual General Meeting**”) of the Company held on 23 May 2014 to repurchase Shares, the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the Annual General Meeting. The highest purchase price per Share was HK\$1.56 and the lowest purchase price per Share was HK\$1.53, and an aggregate of approximately HK\$9,760,000.00 (before brokerage and expenses) was utilized by the Company for such repurchase.

The Board believes that the current price to earnings ratio of the Company is significantly lower than that of the Company’s peers in the industry after taking into account, in particular, the strong performance of the Group’s operations, sufficiency in operating cash flows and growth prospects, and it considers that the Share Repurchase will create better values for the shareholders of the Company. The Board also believes that the Share Repurchase will not have any adverse impact on the Group’s financial resources.

By order of the Board
Jiangnan Group Limited
Rui Fubin
Chairman

The People’s Republic of China, 23 October 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.